



NASSAU COUNTY NEW YORK

Thomas R. Suozzi
County Executive



*Murals on display at
New Nassau County
Health & Human Services Facility
60 Charles Lindbergh Blvd*

Summary of the Fiscal 2006 Adopted Budget
Adopted October 30, 2005
Ord. # 117-2005

BUDGET AND FINANCE VERTICAL

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Assessment Review Commission Chairman

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**TRANSMITTAL LETTER FROM THE
COUNTY EXECUTIVE**





OFFICE OF THE COUNTY EXECUTIVE
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SUOZZI PRESENTS THIRD 'NO-TAX-INCREASE' BUDGET

**Includes No Special State Aid for First Time
Declares Fiscal Crisis Over
Says There Is More to Do To Keep Taxes Down,
Get Fair Share from Albany, and
Make Nassau Livable For Future Generations
Vows the 'Miracle in Mineola' Will Continue**

**(Text of budget release presentation delivered
by County Executive Suozzi on September 12, 2005)**

The front page of Newsday the day after my inauguration read "Taking Charge: Suozzi Vows to Get County Out of Debt." From the beginning, the primary mission of my administration was to rescue this county from bankruptcy.

Ninety days later, on April 1, 2002, with the understanding that the financial mess we inherited was much bigger than anyone had imagined, I stood before the people of a beleaguered Nassau County and once again promised that I would solve the fiscal crisis that brought our once great government to the rim of ruin.

The government that I inherited was the most broken and battered and beaten in the nation. In fact, according to the prestigious Maxwell School of Public Affairs at Syracuse University, Nassau County was rated the "worst" run county in America.

Everywhere we looked there was dysfunction. Our buildings were crumbling, our parks were neglected, our employees disheartened, our coffers, empty.

The cupboard was bare.

Decades of one party machine-politics had pushed Nassau County to the brink of bankruptcy. Only the intervention of New York State government and the creation of an outside monitor, the Nassau Interim Finance Authority prevented it.

NIFA, as it was called, met for the very first time, right here in this room, more than 5 years ago. It is fitting now, that we meet here again, in a symbolic way to say thank you to NIFA.

THOMAS R. SUOZZI
COUNTY EXECUTIVE



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NIFA started as a strict fiscal monitor, a harsh disciplinarian that demanded that an unresponsive and irresponsible previous administration, take action to prevent collapse.

When my administration presented and implemented credible plans and began to emerge from despair – NIFA morphed into a partner. Instead of warnings and threats of takeover, the members offered helpful suggestions and guidance on how to make our solid work product even stronger.

Today, we move forward, and say thank you.

While NIFA will continue its legislative purpose, today is graduation day. Today, we go out “on our own.” For the first time in 5 years, in the 2006 budget, Nassau will not be receiving any financial help from NIFA.

We are here today to say quite simply, THE FISCAL CRISIS IS OVER.

Together with NIFA and with the help of the Democratic majority in the County Legislature, we overcame almost impossible odds to fix what was broken. Thank you to Presiding Officer Judy Jacobs and the rest of our Democrats on the Legislature...It wasn't easy, but we have accomplished our charge.

The Republican machine and their County Legislators fought us on every front. They refused to be a partner in our efforts to save this County... But, we did not falter, we did not fall prey to their opposition.

We cut the workforce to the smallest it has been in 30 years.

Our innovative, smart-government initiatives saved more than \$100 million dollars.

We restructured, reduced, retired and refinanced Nassau's outrageous multi-billion dollar debt.

We managed better, consolidated operations, streamlined procedures and introduced new technologies.

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We stabilized the financially troubled Nassau Health Care Corporation whose Medical Center had been bleeding red, losing millions of dollars a year and threatened to knock the County off balance once again. It's finally back on its feet.

We went up to the State Legislature to help "Fix-Albany" and we returned with landmark Medicaid Mandate Relief. This change, that many thought would never happen, will save taxpayers hundreds of millions of dollars and is a key to our future stability.

Our recovery has been hailed as "one of the three most dramatic financial turnarounds in the nation" and is now "The Miracle in Mineola."

For the first time in 12 years, Nassau County's finances are straight "A's"

The country's top ratings agencies, Standard & Poors, Moody's Investors Service and Fitch Ratings have all recently upped Nassau's financial ratings into the "A" ranks.

When I took office, the county's bonds were the verge of being deemed junk bonds.

Since that day, we have received ten bond ratings increases. We have never looked back.

And, we look forward today as I submit my 2006 year budget, a few days early as a matter of fact...A long way from the old days in Nassau where budgets were sent over in the darkness of night, unbalanced, unchecked, unworkable.

3 ½ years ago, I said that if the taxpayers of Nassau County would help us by agreeing to a single tax increase for the county portion of their bill, my first year in office...I promised them that I would work as hard as I could to pay them back by delivering no-tax increase County budgets for the remaining three years of my term.

I SAID WE COULD DO IT, AND NOW WE HAVE DONE IT!

Today I present my third consecutive no tax increase budget.

For the third year in a row, 2003, 2004, and now 2005, I am presenting to the Legislature, an honest, balanced, fair budget that does NOT increase the County portion of Nassau's property tax bill.

THOMAS R. SUOZZI
COUNTY EXECUTIVE



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And, what I am most proud of is the fact that in spite of the dire predictions of our own four-year plans, issued last year, where we discussed the possibility of a 2006 year budget with increased taxes and a new energy sales tax, in fact, **THERE WILL BE NO INCREASED TAXES AND CERTAINLY, THERE WILL BE NO ENERGY SALES TAX.**

While our four year plan may reflect the possibility of tax increases in the future that mirror the Consumer Price Index, we will work as hard as we have over the past three budgets to not increase taxes.

Let me outline for you, additional elements of our new 2006 balanced budget:

In addition to no tax increase, and no NIFA aid, the County will be paying \$50 million in tax refunds back to taxpayers while only borrowing a portion of the funds. The practice of borrowing money to return the overpayment of taxes to School Districts and others, was a major contributing factor to the County's demise. This budget begins the movement away from that destructive practice once and for all.

This budget is balanced, structurally sound and has no tax increase because, in part, the county has accumulated surplus balances that are being used to offset future expenses, like paying for property tax refunds. Furthermore, the County will continue to maintain healthy "rainy day" and tax stabilization funds to offset possible economic downturns related to Hurricane Katrina or other future unforeseen events.

While we have kept our promise to be fiscally conservative, we are not a county without compassion. Last week, when the federal government asked us to take in 150 victims from Hurricane Katrina, we were among the first in the nation to say 'Yes.' And we stand ready, willing and able to assist victims of this devastating and heart wrenching national tragedy.

And this budget also reflects several of my initiatives 1) \$1 million to help villages, Chambers of Commerce and other groups to work with the County to develop "visions" for downtown redevelopment and other plans consistent with "New Suburbia" 2) \$1 million for my "Common Sense for the Common Good Agenda" to fund efforts to help prevent unintended pregnancies and to support women who face unintended pregnancies 3) \$1.5 million to entice Community Based Not-for Profits to join our "No Wrong Door" initiative to deliver better, more cost-efficient Social Services that offer a hand up to those striving to get back on their feet, a program which we believe will be recognized as a national model 4) Other initiatives to

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improve business retention, to continue our “Parks Making a Comeback Campaign”, and enhance County Service and reduce overtime.

Last year we increased our budget to provide for up to 2,650 police officers, over 200 more officers than our original multi-year plan. We have in fact, hired the maximum numbers of police officers we could handle in our police academy since the PBA contract was finalized. This administration has hired twice as many police officers in the past two years (337), than the previous administration had hired in the previous 4 years (166).

Over 140 officers will be graduating within the next 45 days and our 2006 budget will allow us to again hire the maximum number of officers as the police Academy and Civil Service can accommodate. This administration is committed to public safety and has achieved the lowest crime rate in over 30 years and will continue our efforts to do so.

Yes, we have accomplished great things. We have done what we set out to do. We have kept our promises. No longer is Nassau a model of dysfunction. Instead others now look to us as a model of innovation.

But we have more work to do.

We will keep fighting to Fix Albany to reduce the number of unfunded mandates that burden our residents with unreasonably high taxes. And we will fight for our fair share from Albany, where Long Islanders currently send \$3 billion more than we get back in state aid.

We will continue to fight against mismanagement and waste in our own government and at all levels of government.

We will work to consolidate local services and streamline the current overlapping web of 400 government entities in our county.

And we will find ways to expand our property tax base and entice economic development to the county while preserving our suburban quality of life.

Just as we kept our promise to right the ship of county government while keeping taxes down, we will keep the promises made today to make Nassau a more prosperous, safer and livable suburb that is fiscally sound and affordable for future generations to come. Because the Miracle in Mineola has only just begun.

COUNTY VISION STATEMENT



VISION

Nassau County is a safe and economically vital community that provides quality services at an affordable price becoming a model suburban county for the nation to emulate. Nassau County accomplishes this by focusing on the following strategic areas:

Quality affordable services – we deliver excellent, affordable services that meet our community's needs and surpass expectations.

Safe communities – we protect the citizens, businesses and visitors of Nassau County through the provision of unparalleled responsiveness, proactive planning, and innovative leadership.

Healthy communities – we administer to all populations of Nassau County with respect and dignity as we provide high quality, cost-effective health and human services programs to promote the development of healthy and productive lives.

Economic vitality and growth – through innovative leadership and well-managed planning we sustain a county that is known nationwide as a strategically located community with numerous and diverse employment, recreational and business growth opportunities.

Cutting Edge Information Technology – we continually modernize our government and utilize state-of-the-art technology to maximize service delivery thereby better meeting the needs of our citizens, businesses, visitors, and employees.

Professionalism – we are demanding of ourselves and provide excellence in our work, encourage creative thinking and provide bold and daring solutions to conventional problems.

COUNTY VISION STATEMENT



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY



A continued commitment to sound financial management and a conservative approach to containing spending enabled County Executive Suozzi to propose his **third consecutive “no property tax increase” budget** on September 12, 2005. This budget was adopted unanimously by the County Legislature on October 30, 2005.

The achievement of a responsible no-tax increase budget is noteworthy given that the County will be taking three other monumental steps in 2006 that are critical to its full fiscal recovery. For the first time since the County fiscal crisis began under the prior administration, **the County budget will not rely on any transitional aid – or restructuring assistance – from the Nassau Interim Finance Authority (NIFA)**. At the height of the crisis in 2001, NIFA assistance totaled a peak of \$115 million. As recently as the Fiscal 2005 Budget, NIFA transitional assistance appropriations equaled \$7.5 million.

Even more importantly, 2006 will mark a fundamental improvement in the County’s underlying long term fiscal stability as **for the first time since the assessment crisis began it will shift away from borrowing to pay for property tax grievances and utilize prior-year operating surplus funds for that purpose**. The repeated use of borrowed funds in prior years to pay these settlements produced an annual debt service burden of more than \$100 million and was one of the primary causes of the County’s near bankruptcy in 2000. By shifting to pay-as-you-go financing for this purpose, the County is taking an action that will provide immeasurable relief to taxpayers for decades to come.

Another long term benefit to the County first reflected in the Adopted 2006 Budget is **the permanent reduction in Medicaid expenses made possible by County Executive Suozzi’s successful effort, as President of the New York State County Executive’s Association, to convince the State to assume a greater share of local Medicaid burden**. As a result of the State legislation stemming from that effort, Nassau’s 2006 Medicaid appropriation, based on final 2005 expenditures inflated by 3.5 percent, will equal approximately \$214 million, saving County taxpayers approximately \$25 million. If not for this reform, Medicaid expenses would cost about \$239 million. An additional \$2.5 million appropriation was set aside in reserve should actual Medicaid costs exceed the budgeted estimate.

In summary, the key components of the Adopted Fiscal 2006 Budget, totaling \$2.4 billion, are:

- No increase in the property tax levy
- No reliance on any NIFA transitional or restructuring assistance
- The shift to pay-as-you-go (“PAYGO”) to pay property tax refunds
- The adoption of conservative and achievable budget assumptions
- The investment of approximately \$6.7 million in critical areas including \$4.5 million community-based service organizations, \$1 million for the “Common Sense for the Common Good” program designed to reduce the number of unintended pregnancies, \$1 million for local municipalities to implement long-term visioning efforts and improve their business districts, and approximately \$200,000 for business retention and expansion.
- The establishment of a \$5 million reserve appropriation to address unforeseen events, such as spikes in utility costs or temporary problems in the local economy related to Hurricane Katrina.

EXECUTIVE SUMMARY



NO INCREASE IN THE PROPERTY TAX LEVY

The property tax levy in the Major Operating Funds will total \$738.7 million in 2006, unchanged from the amounts budgeted in 2003, 2004 and 2005. So, for the third consecutive year, taken as a whole, taxpayers will see no increase in the County portion of their property tax bills.

Table 1.1: No Increase in Property Tax Levy (2003-2006)
(all dollars in millions)

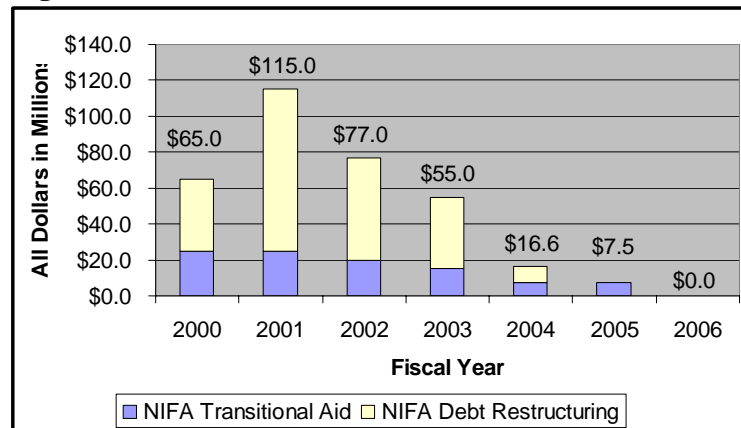
Fiscal Year	2003	2004	2005	2006
Budgeted Property Tax Levy	\$738.7	\$738.7	\$738.7	\$738.7

There will be a redistribution of the existing tax levy among the Operating Funds, however. Due to the rising cost of law enforcement, the Police District and Headquarters funds will require approximately \$30 million more in property tax resources than they required in 2005. There will be a corresponding decrease in the other four Major Operating Funds.

NO RELIANCE ON ANY NASSAU INTERIM FINANCE AUTHORITY ASSISTANCE

For the first time since the fiscal crisis began in 2000, the County budget will not depend on the receipt of any transitional assistance or debt restructuring from NIFA.

Figure 1.1: NIFA Transitional Aid and Debt Restructuring



The County's dramatically reduced reliance on NIFA aid from a peak of \$115 million in Fiscal 2001 is further evidence of its successful effort toward achieving structural balance. ***The County will no longer receive any assistance from NIFA whatsoever beginning in Fiscal 2006.***



SHIFT TO PAY-AS-YOU-GO FOR TAX CERTIORARI GRIEVANCES

One of the major causes of the County's severe fiscal crisis was its decision many years ago to borrow to pay successful property tax grievances. The County has used an average of approximately \$127 million of borrowed funds each year since 1995 to finance its property tax refund payments. The County already has taken several important steps to ensure that its future liability is diminished, including conducting an annual property assessment update (previously, residential and commercial re-assessments hadn't been completed since 1939 and 1986, respectively), and extending the amount of time that the Assessment Review Commission has at its disposal to unilaterally correct the property tax roll.

For the first time since the assessment crisis began over ten years ago, the County will begin paying for these grievances out of pay-as-you-go funds. But the cost of making such a shift – an annual appropriation of \$50 million beginning in 2006 – is a difficult price to pay, particularly all at once. As discussed in the Update to the Multi-Year Financial Plan published in June of 2005, the administration will utilize a variety of identifiable surplus resources - \$90 million in total – to comprise the County's PAYGO / Medicaid Cap Transitional Funds ("Transitional Funds"). The Transitional Funds will be used on a declining basis over several years to facilitate the inclusion of the PAYGO appropriation for property tax refunds. Before the close of the 2005 fiscal year, \$50 million in current-year surplus funds, as identified in prior County budget reports, will be transferred into the Capital Project Fund to permit the County to make property tax refund payments in 2006. Using operating funds to pay property tax refunds will dramatically reduce debt interest and principal costs over the long term.

COMMITMENT TO SOUND FISCAL PRACTICES AND CONSERVATIVE BUDGET ASSUMPTIONS

Since taking office in 2002, the Suozzi Administration has implemented a host of reforms and financial management improvements that already have produced tangible benefits and that will continue to generate efficiencies and savings for years to come. These significant reforms have included:

- the retention of in-house professional staff to conduct financial analysis and reduce reliance on costly outside consultants
- the publication of comprehensive monthly and quarterly financial reports
- the development of the County's first-ever Capital Budget and Capital Plan
- the streamlining of the contract approval process
- the strengthening of the County's borrowing and cash management practices
- the production of the County's first Program Budget
- the production of the County's first Revenue Manual
- the development of a spending plan for the Grants Fund

EXECUTIVE SUMMARY



Due to these successful efforts as well as the development of three balanced operating budgets, four multi-year financial plans (updated semi-annually) and the accumulation of a growing unreserved undesignated fund balance, the County has achieved upgrades from each of the major bond rating firms and is now ranked in the A category by each of them. As of December 12, 2005, Nassau's ratings stand at A+ (Fitch Ratings), A (Standard and Poor's Ratings Services) and A3 (Moody's Investor's Services).

Critical to the Administration's success has been its firm commitment to basing its budget on conservative and achievable assumptions. This has minimized the number of instances when the County has been forced to hit unrealistic targets and has enabled it to generate substantial positive results versus the Adopted Budget.

“Due to these successful efforts as well as the development of three balanced operating budgets, four multi-year financial plans (updated semi-annually) and the accumulation of a growing unreserved undesignated fund balance, the County has achieved upgrades from each of the major bond rating firms and is now ranked in the A category by each of them.”

The Fiscal 2006 Budget again demonstrates the Administration's commitment to these sound financial management practices by fully funding existing labor contracts, incorporating the most recent pension and health insurance rates announced by the State and assuming an achievable sales tax growth target.

NEW INVESTMENTS

Common Sense for the Common Good

The “Common Sense for the Common Good” Agenda was announced in 2005 as a way to reduce the number of abortions in Nassau County by funding efforts to help prevent unintended pregnancies and to support women who face unintended pregnancies. The initiative was created to address two separate elements: 1) to give women who face an unintended pregnancy a greater range of all their choices. 2) to do more to prevent unintended pregnancies in the first place. The allocations proposed are as follows: \$400,000 per year to support homes for single mothers, \$200,000 per year to promote adoptions in Nassau County and \$400,000 per year to support educational efforts. Each of these appropriations is included in the Health Department budget.

Health and Human Services Community-Based Organizations

The Health and Human Services Vertical recently completed a historic transition by moving the location of its direct service departments from the old 101 County Seat Drive Building in Garden City to the more modern and customer friendly environment of the Reckson Building at 60 Charles Lindbergh Boulevard. The occupancy of this new space is critical to the “No Wrong Door” policy, which is based upon the concept that clients in need of various social services should have easy access

EXECUTIVE SUMMARY



to those services and not experience delays as they negotiate a very large and sometimes unwieldy bureaucracy. By relocating to the Reckson Building, all of the County's core health and human services functions and staff are gathered under one roof.

Community-based organizations are just as important as direct County staff in addressing the social service needs of County residents, and the Administration recognizes that the health and human services infrastructure requires additional resources for this purpose. They have not received increases in funding for several years, despite incremental increases in costs related to pension, rent, utilities, health insurance, etc. As a result, \$4.5 million in funds have been allocated to these organizations to help rebuild their infrastructure and expand services.

Long Term Visioning

Between February 2003 and June 2005, the Planning Department facilitated the County Executive's thirty-five Economic Development Zone meetings to understand the specific needs and interests of local communities. As a result of this process, the Department has identified opportunities for follow-up study and project development. These projects range from corridor studies of major thoroughfares with traffic and land use challenges to identifying and analyzing important parcels for redevelopment in accordance with the County's economic development plan. The 2006 Budget appropriates \$1 million to procure services for technical consulting to provide expertise and facilitate community-based planning throughout the County.

Business Retention and Expansion

Funds allocated for our new Initiative for Economic Attraction, Retention and Expansion will cover personnel, advertising and related materials, plus establishing external community and business relationships to promote the strong economic message of Nassau County on a regional, national and international scale to ignite new and expanded investment here.

This necessary economic expansion will also be coordinated with our other programs of outreach and assistance for overall neighborhood revitalization, as well as minority community employment and business development, working with our Office of Minority Affairs.

Commencement of Nassau County's anticipated Empire Zone Program will also be of great help in this effort.

Police Staffing Study

Determining the most appropriate, effective and efficient Police Department staffing level has been the focus of intense debate for many years. Despite the County's increase in the size of its cadre of sworn officers from 2,444 in 2002 to a budget of 2,750 in 2006, questions remain. As a result, the Adopted Budget contains a one-time appropriation of \$250,000 to engage an outside criminal justice consultant to conduct a comprehensive review of Nassau County Police Department deployment practices, policies and needs. The study will recommend a staffing level that provides the high level of public safety County residents have come to expect in the most efficient and cost-effective manner possible.



ESTABLISHMENT OF A RESERVE FOR UNFORESEEN EVENTS

The recent devastation caused by Hurricane Katrina vividly demonstrates that, despite the best planning, unforeseen and sometimes tragic events can occur that dramatically affect the health, and safety of residents. Local governments often require resources to address these events and their aftermath, whether they are physical or economical.

For this reason the Administration is proposing allocating \$5 million of its Fund Balance toward a “reserve” in the 2006 Budget. These funds can only be spent with the approval of the County Legislature pursuant to the normal budget transfer process.

MAJOR OPERATING FUNDS

MAJOR OPERATING FUNDS



MAJOR FUNDS					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	711,317,607	780,846,579	360,840,915	832,757,095
	AB -FRINGE BENEFITS	243,754,054	365,654,956	250,410,152	369,172,963
	BB -EQUIPMENT	7,382,910	6,933,709	4,004,096	4,552,619
	CC -MATERIALS & SUPPLIES	14,108,566	15,488,116	8,324,044	-
	DD -GENERAL EXPENSES	25,221,669	16,413,857	8,692,518	33,464,160
	DE -CONTRACTUAL SERVICES	159,626,426	120,391,444	86,226,758	130,870,231
	DF -UTILITY COSTS	30,215,870	31,358,786	21,438,693	33,247,598
	FF -INTEREST	60,268,646	48,221,973	20,619,236	27,788,164
	GA -LOCAL GOVT ASST PROGRAM	55,516,592	57,631,662	13,253,662	59,736,041
	GG -PRINCIPAL	171,435,000	140,553,683	71,827,278	115,124,221
	HC -NHC ASSN EXP - NASSAU HEALTH CARE ASSN	39,940,237	13,000,000	12,999,940	13,000,000
	HH -INTERFD CHGS - INTERFUND CHARGES	1,275,342	25,000	-	175,000
	JA -CONTINGENCIES RESERVE	319,687	-	-	-
	JC -FEDERAL DISALLOWANCES RESERVE	45,209	-	16,953	-
	JM -CONTINGENCY FOR FUTURE EXPENSES	23,600,000	-	-	-
	LB -TRANS TO GENERAL FUND	1,785,299	-	-	-
	LO -TRANS TO CPF FUND	7,623,296	-	-	5,000,000
	LU -TRANS TO DEBT SERVICE FUND	10,000,000	-	-	-
	MM -MASS TRANSIT	41,214,474	45,095,797	11,641,896	45,981,120
	NA -NCIFA EXPENDITURES	-	2,000,000	-	1,450,000
	OO-OTHER	209,216,254	154,374,287	16,706,615	187,442,635
	PP -EARLY INTERVENTION/SPECIAL EDUCATION	-	139,959,400	122,945,156	144,086,100
	SS -RECIPIENT GRANTS	50,239,557	51,604,600	24,616,901	51,652,600
	TT -PURCHASED SERVICES	43,086,294	45,886,814	32,077,491	46,012,951
	WW -EMERGENCY VENDOR PAYMENTS	47,468,080	50,824,000	40,852,488	53,060,200
	XX -MEDICAID	369,248,226	281,748,167	138,047,565	214,609,343
	XY -MEDICAID - IGT	-	40,973,706	-	39,573,706
Expense Total		2,323,909,292	2,408,986,536	1,245,542,355	2,408,756,747
	Interdepartmental Transfers	380,114,494	396,690,743	227,789	383,243,404
Expense Including Interdepartmental Transfers		2,704,023,786	2,805,677,279	1,245,770,144	2,792,000,151
Revenue					
	AA -FUND BALANCE	90,911,627	21,479,706	-	13,367,000
	BA -INT PENALTY ON TAX	22,682,144	24,180,000	9,859,222	24,000,000
	BC -PERMITS & LICENSES	8,255,953	9,040,392	4,810,952	12,465,580
	BD -FINES & FORFEITS	14,687,783	17,017,288	8,421,074	22,683,552
	BE -INVEST INCOME	10,305,631	9,196,792	6,737,095	14,003,476
	BF -RENTS & RECOVERIES	78,780,314	51,534,433	9,192,660	53,951,765
	BG -REVENUES OFFSET TO EXPENSE	2,505,555	4,457,933	655,788	14,207,343
	BH -DEPT REVENUES	204,052,811	82,812,753	33,848,391	81,802,168
	BI -CAP BACKCHARGES	2,811,134	5,440,000	(711,270)	6,881,313
	BK -SERVICE FEES	25,370	260,000	7,051	-
	BO -PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	3,631,668	4,500,000	252,484	4,500,000
	BS -OTB PROFITS	7,001,492	7,600,000	1,505,204	5,655,000
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	31,853,266	40,360,760	478,962	48,329,785
	BX -MEDICAID IGT REIMBURSEMENTS	-	40,973,706	-	39,573,706
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	126,207,269	123,425,867	23,334,514	115,116,951
	IF -INTERFD TSFS - INTERFUND TRANSFERS	21,505,299	-	1,955,379	5,000,000
	NA -NIFA AID	7,500,000	11,800,000	-	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	209,018,703	215,240,213	12,169,262	171,228,916
	TA -SALES TAX CO - SALES TAX COUNTYWIDE	882,923,348	907,089,227	297,068,858	936,369,365
	TB -PART COUNTY - SALES TAX PART COUNTY	49,971,201	57,567,863	16,692,889	65,421,278
	TL -PROPERTY TAX	743,001,328	738,711,109	745,926,753	738,711,054
	TO -OTB 5% TAX	7,042,751	6,900,000	1,373,344	6,500,000
	TX -SPECIAL TAXES- SPECIAL TAXES	25,352,012	29,398,495	12,174,508	28,988,495
Revenue Total		2,550,026,658	2,408,986,537	1,185,753,122	2,408,756,747
	Interdepartmental Transfers	386,916,582	396,690,742	224,191	383,243,404
Revenue Including Interdepartmental Transfers		2,936,943,240	2,805,677,279	1,185,977,313	2,792,000,151

MAJOR OPERATING FUNDS



GENERAL FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	338,163,597	368,056,442	171,909,462	380,090,331
	AB -FRINGE BENEFITS	127,737,776	184,405,523	119,415,219	192,277,794
	BB -EQUIPMENT	1,926,156	2,092,810	397,266	2,123,136
	CC -MATERIALS & SUPPLIES	9,138,765	9,762,667	4,952,927	-
	DD -GENERAL EXPENSES	19,470,679	12,714,621	7,236,705	24,526,516
	DE -CONTRACTUAL SERVICES	145,307,787	104,940,304	77,604,475	109,945,005
	DF -UTILITY COSTS	29,227,926	30,373,511	20,700,992	29,541,753
	FF -INTEREST	-	-	20,619,236	-
	GA -LOCAL GOVT ASST PROGRAM	55,516,592	57,631,662	13,253,662	59,736,041
	GG -PRINCIPAL	-	-	71,827,278	-
	HC -NHC ASSN EXP - NASSAU HEALTH CARE ASSN	39,940,237	13,000,000	12,999,940	13,000,000
	HH -INTERFD CHGS - INTERFUND CHARGES	1,275,342	25,000	-	175,000
	JA -CONTINGENCIES RESERVE	319,687	-	-	-
	JC -FEDERAL DISALLOWANCES RESERVE	45,209	-	16,953	-
	JM -CONTINGENCY FOR FUTURE EXPENSES	23,600,000	-	-	-
	LO -TRANS TO CPF FUND	7,623,296	-	-	5,000,000
	LU -TRANS TO DEBT SERVICE FUND	10,000,000	-	-	-
	MM -MASS TRANSIT	41,214,474	45,095,797	11,641,896	45,981,120
	NA -NCIFA EXPENDITURES	-	2,000,000	-	1,450,000
	OO-OTHER	114,719,658	31,401,437	16,172,218	38,066,481
	PP -EARLY INTERVENTION/SPECIAL EDUCATION	-	139,959,400	122,945,156	144,086,100
	SS -RECIPIENT GRANTS	50,239,557	51,604,600	24,616,901	51,652,600
	TT -PURCHASED SERVICES	43,086,294	45,886,814	32,077,491	46,012,951
	WW -EMERGENCY VENDOR PAYMENTS	47,468,080	50,824,000	40,852,488	53,060,200
	XX -MEDICAID	369,248,226	281,748,167	138,047,565	214,609,343
	XY -MEDICAID - IGT	-	40,973,706	-	39,573,706
Expense Total		1,475,269,337	1,472,496,461	907,287,828	1,450,908,077
	Interdepartmental Transfers	293,268,412	314,625,800	224,191	296,956,974
Expense Including Interdepartmental Transfers		1,768,537,749	1,787,122,261	907,512,019	1,747,865,051
Revenue					
	AA -FUND BALANCE	76,107,059	-	-	13,367,000
	BA -INT PENALTY ON TAX	22,682,144	24,180,000	9,859,222	24,000,000
	BC -PERMITS & LICENSES	6,050,697	6,915,392	4,155,639	9,985,580
	BD -FINES & FORFEITS	14,476,867	16,817,288	8,369,068	22,583,552
	BE -INVEST INCOME	10,068,865	9,000,400	6,288,286	13,474,240
	BF -RENTS & RECOVERIES	75,444,456	49,694,433	8,425,352	52,185,465
	BG -REVENUE OFFSET TO EXPENSE	2,505,555	4,207,933	655,788	10,108,143
	BH -DEPT REVENUES	168,737,274	41,767,392	15,984,252	42,413,194
	BI -CAP BACKCHARGES	2,811,134	5,440,000	(711,270)	6,881,313
	BK -SERVICE FEES	25,370	260,000	7,051	-
	BO -PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	3,631,668	4,500,000	252,484	4,500,000
	BS -OTB PROFITS	7,001,492	7,600,000	1,505,204	5,655,000
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUES	22,825,339	28,357,789	217,437	31,842,594
	BX -MEDICAID IGT REIMBURSEMENTS	-	40,973,706	-	39,573,706
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	125,790,604	123,091,867	23,235,069	114,786,951
	IF -INTERFD TSFS - INTERFUND TRANSFERS	3,882,003	-	1,955,379	-
	NA -NIFA AID	-	11,800,000	-	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	207,849,788	214,550,778	11,666,360	170,519,916
	TA -SALES TAX CO - SALES TAX COUNTYWIDE	882,923,348	907,089,227	297,068,858	936,369,365
	TB -PART COUNTY - SALES TAX PART COUNTY	49,971,201	57,567,863	16,692,889	65,421,278
	TL -PROPERTY TAX	141,274,679	112,769,518	119,985,162	80,016,368
	TO -OTB 5% TAX	7,042,751	6,900,000	1,373,344	6,500,000
	TX -SPECIAL TAXES- SPECIAL TAXES	5,735,985	5,970,000	1,780,027	4,560,000
Revenue Total		1,836,838,281	1,679,453,586	528,765,602	1,654,743,665
	Interdepartmental Transfers	73,003,469	107,668,675	173,595	93,121,386
Revenue Including Interdepartmental Transfers		1,909,841,750	1,787,122,261	528,939,197	1,747,865,051

MAJOR OPERATING FUNDS



POLICE DISTRICT FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	188,469,072	203,638,864	91,147,634	223,671,506
	AB -FRINGE BENEFITS	53,586,710	84,907,496	66,402,534	85,784,188
	BB -EQUIPMENT	3,960,455	875,000	256,226	1,386,280
	CC -MATERIALS & SUPPLIES	2,893,440	2,683,468	1,131,654	-
	DD -GENERAL EXPENSES	2,389,660	1,064,588	369,129	3,678,802
	DE -CONTRACTUAL SERVICES	755,234	800,000	195,226	806,563
	DF -UTILITY COSTS	987,944	985,275	588,587	1,605,845
	OO-OTHER	399,331	2,900,000	139,404	450,000
Expense Total		253,441,847	297,854,691	160,230,392	317,383,184
Interdepartmental Transfers		21,494,855	20,235,661	-	23,856,440
Expense Including Interdepartmental Transfers		274,936,702	318,090,352	160,230,392	341,239,624
Revenue					
	AA -FUND BALANCE	4,869,568	2,500,000	-	-
	BC -PERMITS & LICENSES	1,939,706	1,800,000	533,888	1,680,000
	BD -FINES & FORFEITS	200,166	200,000	51,906	100,000
	BE -INVEST INCOME	71,393	65,134	112,745	112,754
	BF -RENTS & RECOVERIES	870,702	150,000	51,089	150,000
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	1,468,160
	BH -DEPT REVENUES	3,109,789	3,167,011	2,795,830	3,165,800
	NA -NIFA AID	7,500,000	-	-	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	-	-	102,253	-
	TL -PROPERTY TAX	301,296,571	309,306,781	309,306,781	333,627,075
Revenue Total		319,857,895	317,188,926	312,954,494	340,303,789
Interdepartmental Transfers		480,837	901,426	-	935,835
Revenue Including Interdepartmental Transfers		320,338,731	318,090,352	312,954,494	341,239,624

MAJOR OPERATING FUNDS



POLICE HEADQUARTERS FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	158,604,604	181,157,692	85,019,983	200,140,238
	AB -FRINGE BENEFITS	52,340,107	83,208,069	56,523,521	77,680,690
	BB -EQUIPMENT	713,466	2,700,000	2,273,746	535,256
	CC -MATERIALS & SUPPLIES	1,316,178	1,428,101	967,585	-
	DD -GENERAL EXPENSES	2,612,258	1,610,576	522,782	3,013,500
	DE -CONTRACTUAL SERVICES	6,725,774	6,374,120	2,340,101	7,010,987
	DF -UTILITY COSTS	-	-	149,115	2,100,000
	LB -TRANS TO GENERAL FUND	1,471,484	-	-	-
	OO-OTHER	159,879	410,000	194,993	250,000
Expense Total		223,943,750	276,888,558	147,991,825	290,730,671
Interdepartmental Transfers		24,547,333	24,340,982	3,598	23,741,889
Expense Including Interdepartmental Transfers		248,491,082	301,229,540	147,995,424	314,472,560
Revenue					
	BC -PERMITS & LICENSES	265,550	325,000	121,425	800,000
	BD -FINES & FORFEITS	10,650	-	-	-
	BE -INVEST INCOME	101,139	86,258	124,226	121,053
	BF -RENTS & RECOVERIES	1,152,921	200,000	105,612	200,000
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	2,072,960
	BH -DEPT REVENUES	14,252,569	13,679,000	6,813,004	14,879,000
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	439,876	-	-	-
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	416,665	334,000	99,445	330,000
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	1,030,853	589,435	312,973	589,000
	TL -PROPERTY TAX	239,070,905	252,897,540	252,897,540	258,049,976
	TX -SPECIAL TAXES- SPECIAL TAXES	19,420,943	22,453,495	10,337,589	23,453,495
Revenue Total		276,162,071	290,564,728	270,811,814	300,495,484
Interdepartmental Transfers		6,312,045	10,664,812	50,596	13,977,076
Revenue Including Interdepartmental Transfers		282,474,116	301,229,540	270,862,410	314,472,560

MAJOR OPERATING FUNDS



PARKS, RECREATION AND MUSUEMS FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	17,007,573	18,903,012	8,233,723	19,442,234
	AB -FRINGE BENEFITS	7,810,680	10,064,998	5,840,243	10,263,153
	BB -EQUIPMENT	446,354	1,113,700	1,042,170	367,000
	CC -MATERIALS & SUPPLIES	740,897	1,528,200	1,270,675	-
	DD -GENERAL EXPENSES	636,812	830,500	507,617	1,851,300
	DE -CONTRACTUAL SERVICES	2,426,646	4,298,000	2,159,528	8,870,000
Expense Total		29,068,962	36,738,410	19,053,956	40,793,687
	Interdepartmental Transfers	36,032,246	34,664,521	-	35,633,776
Expense Including Interdepartmental Transfers		65,101,207	71,402,931	19,053,956	76,427,463
Revenue					
	AA -FUND BALANCE	-	-	-	-
	BD -FINES & FORFEITS	100	-	100	-
	BE -INVEST INCOME	45,854	45,000	171,570	250,000
	BF -RENTS & RECOVERIES	1,119,217	1,490,000	588,709	1,416,300
	BG -REVENUE OFFSET TO EXPENSE	-	250,000	-	511,360
	BH -DEPT REVENUES	14,097,539	20,349,350	6,218,052	17,106,874
	IF -INTERFD TSFS - INTERFUND TRANSFERS	7,623,296	-	-	5,000,000
	TL -PROPERTY TAX	43,577,327	48,293,581	48,293,581	51,167,929
	TX -SPECIAL TAXES- SPECIAL TAXES	195,084	975,000	56,893	975,000
Revenue Total		66,658,416	71,402,931	55,328,905	76,427,463
	Interdepartmental Transfers	-	-	-	-
Revenue Including Interdepartmental Transfers		66,658,416	71,402,931	55,328,905	76,427,463

MAJOR OPERATING FUNDS



FIRE COMMISSION FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	9,072,761	9,090,569	4,530,113	9,412,786
	AB -FRINGE BENEFITS	2,278,781	3,068,870	2,228,634	3,167,138
	BB -EQUIPMENT	336,480	152,199	34,688	140,947
	CC -MATERIALS & SUPPLIES	19,287	85,680	1,204	-
	DD -GENERAL EXPENSES	112,260	193,572	56,285	394,043
	DE -CONTRACTUAL SERVICES	4,410,983	3,979,020	3,927,429	4,237,675
	LB -TRANS TO GENERAL FUND	313,814	-	-	-
Expense Total		16,544,366	16,569,910	10,778,353	17,352,589
	Interdepartmental Transfers	4,771,649	2,823,779	-	3,054,325
Expense Including Interdepartmental Transfers		21,316,015	19,393,689	10,778,353	20,406,914
Revenue					
	BE -INVEST INCOME	18,380	-	40,267	45,429
	BF -RENTS & RECOVERIES	193,018	-	21,898	-
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	46,720
	BH -DEPT REVENUES	3,855,639	3,850,000	2,037,253	4,237,300
	BJ -INTERDEPT REVENUES	-	-	-	107,759
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	2,250	-	-	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	138,062	100,000	87,675	120,000
	TL -PROPERTY TAX	17,781,846	15,443,689	15,443,689	15,849,706
Revenue Total		21,989,195	19,393,689	17,630,782	20,406,914
	Interdepartmental Transfers	-	-	-	-
Revenue Including Interdepartmental Transfers		21,989,195	19,393,689	17,630,782	20,406,914

MAJOR OPERATING FUNDS



DEBT SERVICE FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	FF -INTEREST	60,268,646	48,221,973	-	27,788,164
	GG -PRINCIPAL	171,435,000	140,553,683	-	115,124,221
	OO-OTHER	93,937,385	119,662,850	200,000	148,676,154
Expense Total		325,641,031	308,438,506	200,000	291,588,539
	Interdepartmental Transfers	-	-	-	-
Expense Including Interdepartmental Transfers		325,641,031	308,438,506	200,000	291,588,539
Revenue					
	AA -FUND BALANCE	9,935,000	18,979,706	-	-
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	8,585,800	12,002,971	261,525	16,487,191
	IF -INTERFD TSFS - INTERFUND TRANSFERS	10,000,000	-	-	-
Revenue Total		28,520,800	30,982,677	261,525	16,487,191
	Interdepartmental Transfers	307,120,231	277,455,829	-	275,101,348
Revenue Including Interdepartmental Transfers		335,641,031	308,438,506	261,525	291,588,539

MAJOR OPERATING FUNDS



MAJOR OPERATING FUNDS



The Fiscal 2006 Budget for the Six Major Operating Funds totals \$2.4 billion.¹ The General Fund comprises the largest component of the total operating budget. The Police District Fund, Debt Service Fund, Police Headquarters Fund, Parks, Recreation and Museums Fund and Fire Prevention Fund follow it in descending order of size. Table 4.1 summarizes total expenditures by fund.

Table 4.1: Fiscal 2006 Expenditures by Fund

Fund	Fiscal 2006 Adopted Budget Expenses
General Fund	\$1,450,908,077
Police District Fund	\$317,383,184
Debt Service Fund	\$291,588,539
Police Headquarters Fund	\$290,730,671
Parks, Recreation and Museums Fund	\$40,793,687
Fire Prevention Fund	\$17,352,589
Total Major Operating Funds	\$2,408,756,747

Note: Excludes interdepartmental transfers.

¹ This figure excludes interdepartmental transfers that represent offsetting expenses and revenues.

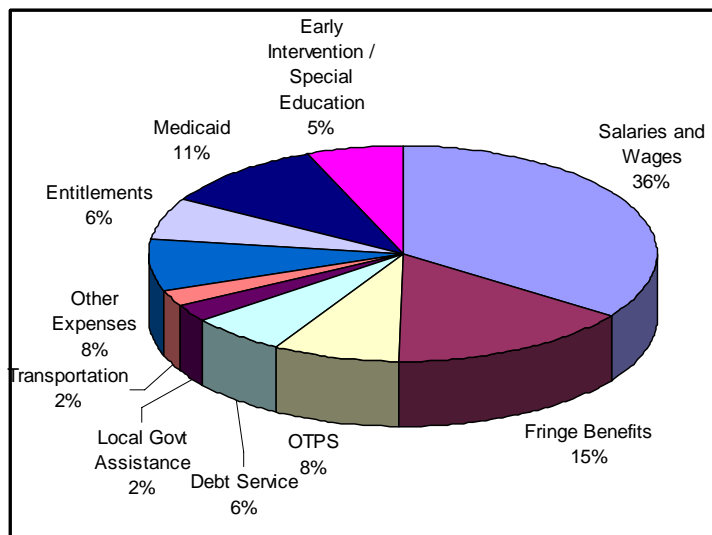
MAJOR OPERATING FUNDS



EXPENDITURES

Figure 4.1 illustrates the County's allocation of resources.

Figure 4.1: Major Operating Funds Expenses by Object Code



SALARY-RELATED EXPENSES

The largest category of expenditure is salary-related expenses, which totals \$832.8 million. This includes items such as base-wages, overtime and termination pay. It should be noted that salary spending is governed primarily by the terms of existing labor contracts.

The Fiscal 2006 Budget assumes on-board full-time staffing levels in most departments. There are several departments that have the budget authority to hire to address urgent needs. They are detailed in the department narrative section of this report. The table on the following page compares full-time staffing levels authorized in the Fiscal 2006 Budget to the August 18, 2005 Actuals.

MAJOR OPERATING FUNDS



Table 4.2: Full Time Staffing 2006

Department	On-Board 12/8/2005 FT#	2006 Adopted FT #
AC - DEPARTMENT OF INVESTIGATIONS	4	6
AR - ASSESSMENT REVIEW COMMISSION	39	43
AS - ASSESSMENT DEPARTMENT	218	247
AT - COUNTY ATTORNEY	159	158
BU - OFFICE OF MANAGEMENT AND BUDGET	41	33
CA - OFFICE OF CONSUMER AFFAIRS	38	49
CC - SHERIFF / CORRECTIONAL CENTER	1226	1252
CE - COUNTY EXECUTIVE	42	43
CF - OFFICE OF CONSTITUENT AFFAIRS	56	57
CL - COUNTY CLERK	100	102
CO - COUNTY COMPTROLLER	89	93
CS - CIVIL SERVICE	57	62
DA - DISTRICT ATTORNEY	356	351
DR - DRUG & ALCOHOL	86	79
EL - BOARD OF ELECTIONS	107	106
EM - EMERGENCY MANAGEMENT	5	6
FC - FIRE COMMISSION	112	112
HE - HEALTH DEPARTMENT	234	250
HI - HOUSING & INTERGOVERNMENTAL AFFAIRS	12	13
HP - PHYSICALLY CHALLENGED	7	7
HR - COMMISSION ON HUMAN RIGHTS	10	10
IT - INFORMATION TECHNOLOGY	95	118
LE - COUNTY LEGISLATURE	86	93
LR - OFFICE OF LABOR RELATIONS	6	6
MA - OFFICE OF MINORITY AFFAIRS	10	11
ME - MEDICAL EXAMINER	52	55
MH - MENTAL HEALTH	16	10
PA - PUBLIC ADMINISTRATOR	7	7
PB - PROBATION	227	261
PD - POLICE DISTRICT	1824	1863
PD - POLICE HEADQUARTERS	1686	1744
PE - DEPARTMENT OF HUMAN RESOURCES	12	12
PK - PARKS, RECREATION AND MUSEUMS	252	269
PL - PLANNING	19	21
PR - PURCHASING DEPARTMENT	21	24
PW - PUBLIC WORKS DEPARTMENT	514	540
RE - OFFICE OF REAL ESTATE SERVICES	12	11
RM - RECORDS MANAGEMENT (GEN FUND)	9	10
SA - COORD AGENCY FOR SPANISH AMERICANS	6	8
SC - SENIOR CITIZENS AFFAIRS	37	38
SS - SOCIAL SERVICES	848	873
TR - COUNTY TREASURER	44	47
TS - TRAFFIC SAFETY BOARD	2	2
TV - TRAFFIC & PARKING VIOLATIONS AGENCY	37	45
VS - VETERANS SERVICES AGENCY	9	9
YB - NASSAU COUNTY YOUTH BOARD	7	7
Grand Total	8836	9163

**FRINGE BENEFITS**

Total fringe benefits costs in the Adopted Fiscal 2006 Budget are \$369.2 million, which is evidence of the increasing pressure that employee fringe benefits costs are placing on the County (and municipalities throughout the state). The increase over the \$243 million spent in 2004 would have been even greater had the Administration not successfully reduced the workforce since January 1, 2002. Table 4.3 summarizes the major fringe benefits assumptions and expenditures.

Table 4.3: Primary Fringe Benefits Expenditures

Category	Fiscal 2006 Assumption	Adopted Fiscal 2005	Adopted Fiscal 2006	Change Adopted 2005 to Adopted 2006
Health Insurance Actives	8.0 % growth	\$93,428,315	\$101,622,736	\$8,194,421
Health Insurance Retirees	5.0 % growth	\$96,225,258	\$95,296,655	(\$928,603)
Sworn Police Pension Contributions	16.3 % of payroll, up to 28.2 %	\$41,304,571	\$39,337,656	(\$1,966,915)
Regular Employee Pension Contributions	10.3 % of payroll, up to 19.4 %	\$34,971,648	\$36,754,638	\$1,782,989

Health Insurance

Local health insurance contributions are expected to reach \$196.9 million in 2006. As Table 4.3 demonstrates this represents an increase of \$7.3 million over the 2005 budget, and eight percent and five percent growth rates over 2005 for active and retired employees respectively.

Pensions

In recent years, the State's pension portfolio has suffered severe underperformance in the investment market. In order to compensate for this loss in value, the State Comptroller has required higher local contributions into the State pension fund. In 2006, Nassau assumed an average of 11.7 percent of payroll for non-sworn police employees and an average of 17.6 percent of payroll. Over the prior decade, contributions had averaged between one and two percent of payroll. The impact on Nassau and every other county in the State has been enormous, so much so that rising pension costs now rival Medicaid growth among the mandated expenses as the major threats to local finances.

In 2004 the State adopted a pension relief package largely modeled after a proposal issued by State Comptroller Alan Hevesi and Governor George Pataki. The critical pieces of the package were:

- the permanent change of the required pension payment date to February of each year
- the authorization for local governments to create a pension reserve fund, which can be used to capture the 2004 resources made available by delaying the next 2004 pension payment to 2005

MAJOR OPERATING FUNDS



- the ability for local governments to borrow for all pension costs that exceed 9.5 percent in 2006 and that exceed 10.5 percent in 2007

Pursuant to these changes the County reserved approximately \$78.5 million in 2004 pension funds to smooth pension payment growth in 2005 and beyond. Based on workforce levels, the adopted budget assumes that the County would need to spend approximately \$105 million for pension contributions in 2006 and that \$29 million would be funded through the reserve.

OTHER THAN PERSONAL SERVICES

The Administration continues to strive to simplify its budget structure. Accordingly, the Fiscal 2006 Budget consolidates the object codes for Materials and Supplies and General Expenses as summarized in Table 4.4.

Table 4.4: Other-Than-Personal-Services Expenses

Category	Adopted Fiscal 2005	Adopted Fiscal 2006	Change Adopted 2005 to Adopted 2006
Equipment	\$6,933,709	\$4,552,619	(\$2,381,090)
Materials and Supplies	\$15,488,116	\$0	(\$15,488,116)
General Expenses	\$16,413,858	\$33,464,160	\$17,050,302

MAJOR OPERATING FUNDS



DIRECT ASSISTANCE

Direct assistance consists of benefits payments to clients enrolled in mandated human services entitlement programs, including Medicaid, public assistance, day care, child protective services and foster care. The County's share of these expenses is usually matched by federal and/or state reimbursements. Historically, growth in these programs has been beyond the control of Counties and has placed tremendous burdens on the budget, particularly since New York State often offers a panoply of services to clients that are in excess of the national norm. This problem was compounded by the fact that New York is one of only two states in the country that passes on a 25 percent share of Medicaid costs to the counties.

Table 4.5: Direct Assistance Expenditures

Category	Adopted Fiscal 2005	Adopted Fiscal 2006	Change Adopted 2005 to Adopted 2006
Medicaid – non IGT	\$281,748,167	\$214,609,343	(\$67,138,824)
Medicaid – IGT	\$40,973,706	\$39,573,706	(\$1,400,000)
Recipient Grants	\$51,604,600	\$51,652,600	\$48,000
Purchased Services	\$45,886,814	\$46,012,951	\$126,137
Emergency Vendor Payments	\$50,824,000	\$53,060,200	\$2,236,200
Special Education	\$94,959,400	\$98,086,100	\$3,126,700
Early Intervention	\$45,000,000	\$46,000,000	\$1,000,000

Note: The IGT represents the intergovernmental transfer between the State, County and Nassau University Medical Center. It is a fixed amount and is not calculated solely based on annual Medicaid growth rates. It is offset by an equal amount of revenue.

As represented in Table 4.5, a significant change occurred in Medicaid non-IGT expenses. This change is due to a legislative decision in expenses incurred for medical services by beneficiaries. Prior to 2006, non-IGT Medicaid expenses reported included the impact of Medicaid related revenues on the expense side of the budget, and also included those revenues in equal amounts on the revenue side of the budget. With the implementation of the Medicaid cap in 2006, Medicaid related revenues are deducted from the overall Medicaid expense budget line to arrive at a true net expense level. The revenue is also then deducted from the revenue side. The \$214.6 million cited reflects the true net expense to the County to pay Medicaid expenses, also known as the net Local Share.

The difference in the Medicaid IGT reflects a change in the portion of the payment designated to the A. Holly Patterson Nursing Home. The County is fully reimbursed for all IGT payments, therefore this reduction has no budgetary impact. Equal amounts of expense and revenue are reflected in the overall Fiscal 2006 Adopted Budget.

Apart from Medicaid, the second largest factor driving the Department of Social Services Budget is Emergency Vendor Payments. These are made to vendors on behalf of clients of the Department of Social Services (DSS). This increase is due to unanticipated increases in expenses for Special Education assistance for children placed into institutions.

MAJOR OPERATING FUNDS



The costs of the State-mandated Special Education and Early Intervention programs are reimbursed by 59.5 percent and 50 percent respectively by the State. Total costs have risen from \$112.8 million in Fiscal 2001 to a projected \$144.1 million in Fiscal 2006. The cost of other health and human services entitlement programs, which typically are reimbursed 50 percent by the federal government and 25 percent by the State, has grown by more than \$20 million.

DEBT SERVICE

All County debt service costs are paid out of the Debt Service Fund, which is considered to be one of the Six Major Operating Funds. Total debt service costs are expected to reach \$291.6 million in Fiscal 2006. This appropriation assumes expenses associated with existing and future interest and principal payments, and existing and future Nassau Interim Finance Authority (NIFA) sales tax set-asides. The appropriation will cover debt service costs related to projects contained in the approved Capital Budget.

Table 4.6: Fiscal 2006 Debt Service Costs

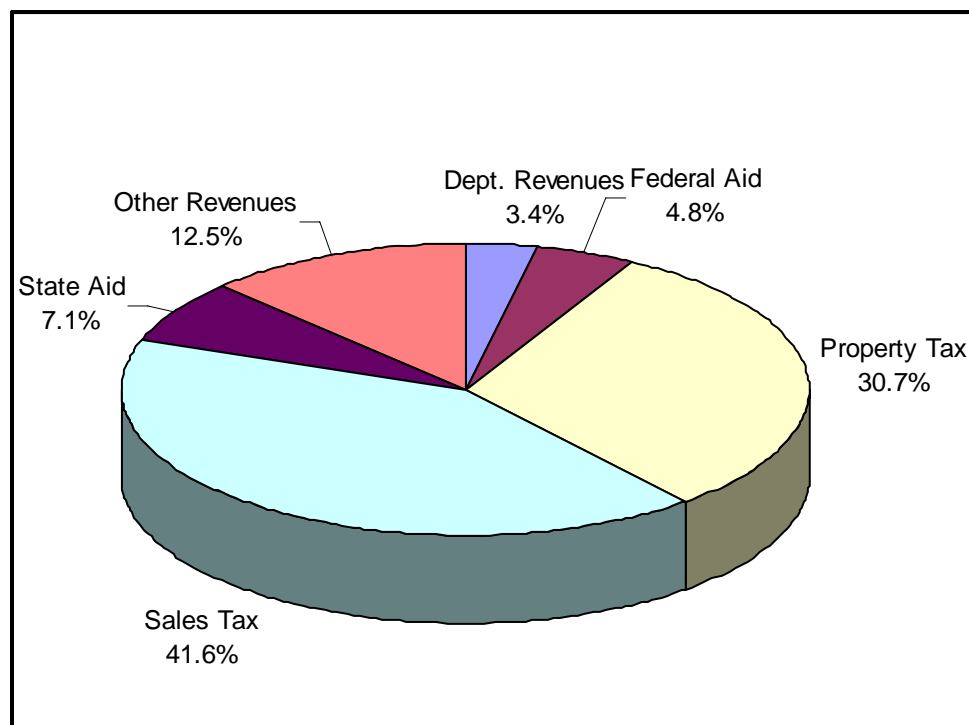
Category	Adopted Fiscal 2006 Appropriation
Interest	\$27,788,164
Principal	\$115,124,221
NIFA Set-Asides	\$148,176,154
Expense of Loans	\$500,000
Total Debt Service	\$291,588,539



REVENUES

The Fiscal 2006 Budget reflects the County's continued reliance on sales tax and property tax revenues to support its operations. As is demonstrated in Figure 4.2, 41.6 percent of revenues derive from the sales tax and another 30.7 percent is generated from the County portion of the property tax, which represents approximately 16 percent of the average homeowner's bill.

Figure 4.2: Major Operating Funds Revenue by Object Code



MAJOR OPERATING FUNDS

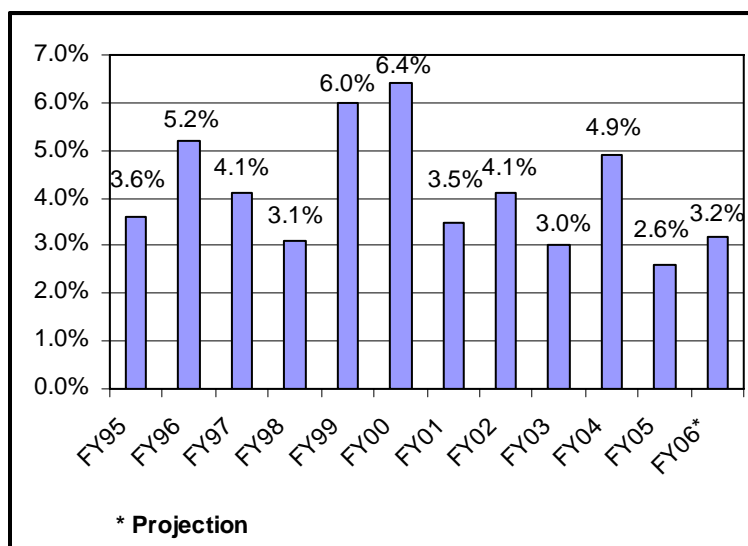


SALES TAX

The sales tax rate in Nassau County is $8 \frac{5}{8}$ percent. 4 percent is retained by the State, and $\frac{3}{8}$ percent is earmarked for the MTA. $4 \frac{1}{4}$ percent is forwarded to the County, of which $\frac{1}{4}$ is distributed to the local towns and cities.

The County's portion of sales tax collections is anticipated to generate \$1 billion in Fiscal 2006. This assumes a 3.2 percent growth in 2006 over projected 2005 receipts. The Administration is comfortable with this estimate as it is well within the range of prior experience. Additionally, the end of the National Hockey League strike should stimulate local economic activity in and around the Nassau Veterans Memorial Coliseum.

Figure 4.3: Sales Tax Growth (Fiscal 1995 – 2006)



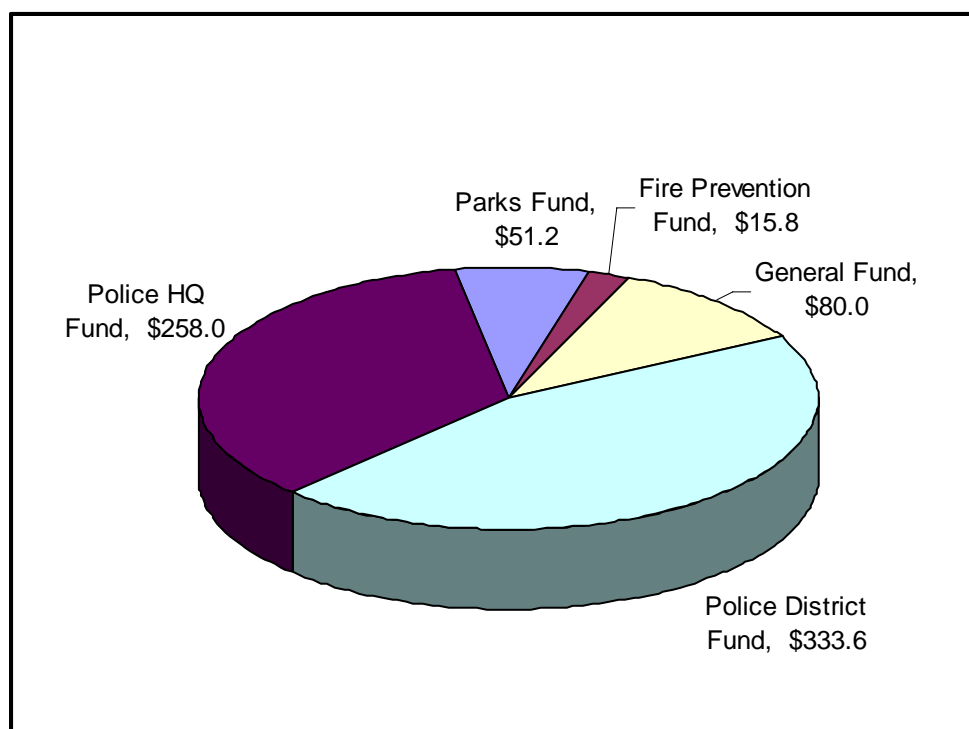
MAJOR OPERATING FUNDS



PROPERTY TAX

The Fiscal 2006 Budget honors the County Executive's commitment not to raise the property tax levy. As such, total property taxes will generate the same \$738.7 million generated in Fiscal 2005. The allocation of the property tax levy among the Six Major Operating Funds will change in accordance with relative changes in expenses and non-tax revenue collection. Figure 4.4 demonstrates that rising Police Department costs are drawing a greater portion of the property tax levy into the Police District and Police Headquarters funds.

Figure 4.4: Property Tax Levy Allocations by Fund (all dollars in millions)



MAJOR OPERATING FUNDS



STATE AND FEDERAL AID

State and Federal Aid compose \$171.2 million and \$115.1 million of the County's revenues, respectively, down from the Fiscal 2005 Adopted levels of \$215.4 million and \$123 million each. The vast majority of these reimbursements are for health and human services entitlement programs. The primary change to State Aid has been as a result of the Medicaid cap commencing in 2006. State revenues related to Medicaid have been deducted from the Social Services budget and only a net capped level of expense will be reported there. In terms of Federal Aid, a decreased allocation in the Flexible Fund for Family Services in Social Services led to a \$5 million drop, and at the Correctional Center, the reimbursement rate remained the same but the number of Federal inmates fell, resulting in a 21 percent reduction in Federal Aid within the department.

Table 4.7: State Aid Appropriations in Fiscal 2006 Budget

Department	State Aid
Health	\$85,081,730
Social Services	\$59,204,417
Senior Citizens	\$4,688,045
Mental Health	\$3,625,705
Probation	\$3,575,992
Drug & Alcohol	\$3,323,429
Courts	\$2,017,510
Housing & Intergovernmental Affairs	\$1,800,000
Medical Examiner	\$1,525,826
Other	\$6,386,262
Total State Aid	\$171,228,916

Table 4.8: Federal Aid Appropriations in Fiscal 2006 Budget

Department	Federal Aid
Social Services	\$94,655,063
Correctional Center	\$13,389,375
Senior Citizens	\$5,034,374
Other	\$2,028,139
Total Federal Aid	\$115,116,951

MAJOR OPERATING FUNDS



DESCRIPTION OF EXPENSE AND REVENUE CODES

DESCRIPTION OF EXPENSE AND REVENUE CODES



SALARIES, WAGES & FEES

Definition

Salaries, Wages & Fees is primarily composed of the base wage a County employee receives for services performed and special payments such as overtime, hazardous duty pay, terminal leave and longevity. Sworn employees within the Police Department and Correctional Center are contractually entitled to receive the following payments which are encompassed under salaries and wages; holiday pay, uniform and equipment allowance, and beeper pay to mention a few.

Historical Trends

Salary-related expenses typically will rise each year because the County's primarily unionized workforce typically receives wage increases consistent with collective bargaining agreements.

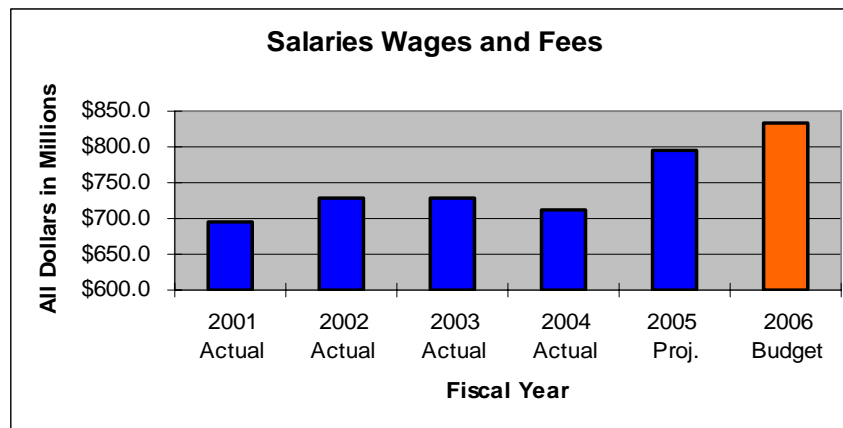
In 2001 the County incurred \$695.1 million in salary related expenses. That year the County

instituted a hiring freeze and also offered employees an early retirement incentive program which resulted in 516 full time equivalent (FTE) separations. The Administration also renegotiated the PBA contract which resulted in a \$5.5 million savings in overtime, yet the department realized an unforeseen overtime expense of \$3 million as a result of the September 11th terrorist attacks.

In 2002 salary related expenses increased by \$34 million, 4.9 percent, to \$729 million. This increase was attributable to unbudgeted termination pay in the Police Department, unbudgeted wage accruals for PBA members, and the first of three annual termination payments made to those employees who separated from the County in 2001. The County also experienced continued success with its workforce reduction program, which resulted in an additional 840 separations from the County. The result of the separations was that salary related savings partially offset some of the increased costs associated with unbudgeted termination costs.

From 2002 to 2003 salary related expenses marginally decreased by \$1 million to \$718 million despite the fact that each of the County's five bargaining units received negotiated wage increases. Continued vigilance on the part of the Administration in managing its workforce by eliminating non-critical positions enabled the County to reduce its overall salary expense despite the negotiated cost of living increase paid to members of the County's bargaining units.

In 2004 salary related expenses, excluding the Employee Benefit Accrued Liability Reserve Fund of \$31.2 million, were \$711 million which were \$16 million, 2.3 percent, higher than the 2001 expense of \$695 million. Over this time period the County decreased its full time work force by 653 full time



DESCRIPTION OF EXPENSE AND REVENUE CODES



employees. Despite contractually mandated wage increases salary expenses were reduced by \$17 million, two percent, from 2003 to 2004.

In August 2004, the County established the Employee Benefit Accrued Liability Reserve Fund of \$31.2 million, which contained resources dedicated to the payment of termination pay in the event of a surge of employee retirements.

The current full year projection for fiscal 2005 for salaries and wages is \$793.4 million, which is 1.6 percent higher than the Adopted 2005 Budget of \$780.8 million. The main factors contributing to the increase are overtime and wage increases with various bargaining units in the Police Department.

2006 Budget

The 2006 proposed budget totals \$833.2 million for Salaries and Wages primarily to fund an additional 148 full time employees not included in the 2005 budget. In addition, mandated wage increases for the five bargaining units and 403 vacant positions are funded in the 2006 budget.

DESCRIPTION OF EXPENSE AND REVENUE CODES



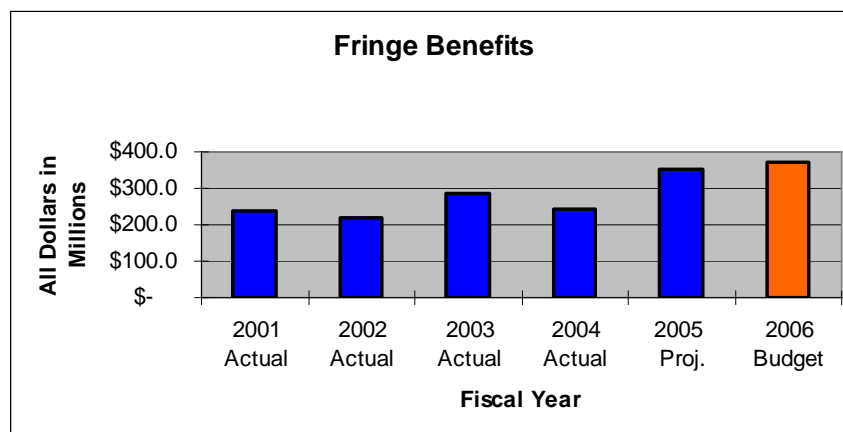
FRINGE BENEFITS

Definition

Fringe benefits expenditures include health insurance contributions for active employees and retirees, pension contributions for active employees and social security contributions. Mandated growth in these categories continues to place a heavy burden on the County's operating budget. Fringe benefits also include appropriations for workers compensation costs, the Flex Benefits Plan and the TransitChek Program.

Historical Trends

Fringe benefits increased from \$238 million in 2001 to \$243.8 million in 2004. The pension bill doubled from \$44.6 million in 2001 to \$105.3 million in 2006 due to a County contribution increase from less than one percent of payroll to approximately 14 percent of payroll in 2006.



Due to a change in State payment policy, all counties in the State were allowed to defer their December 2004 payment to January 2005, thereby reducing fringe benefits costs in that year. The County established a formal reserve with these surplus funds, which will be used to smooth pension payments in future years. Health insurance costs on behalf of County active employees and retirees have typically grown more than 12 percent annually. These increases have been offset by savings generated by a decrease in the County workforce.

2006 Budget

The Fiscal 2006 Adopted Budget includes \$369.2 million for fringe benefits, which is offset by State Aid of \$2.3 million and \$10.4 million from the Medicare Part D subsidy for providing prescription drug coverage for Medicare-eligible retirees through the County's medical plan. Included is \$102 million and \$95.3 million for health insurance for active and retired employees respectively. The total pension cost is \$105.3 million reduced by \$29.2 million use of the pension reserve for a net of \$76.1 million.

DESCRIPTION OF EXPENSE AND REVENUE CODES



EQUIPMENT

Definition

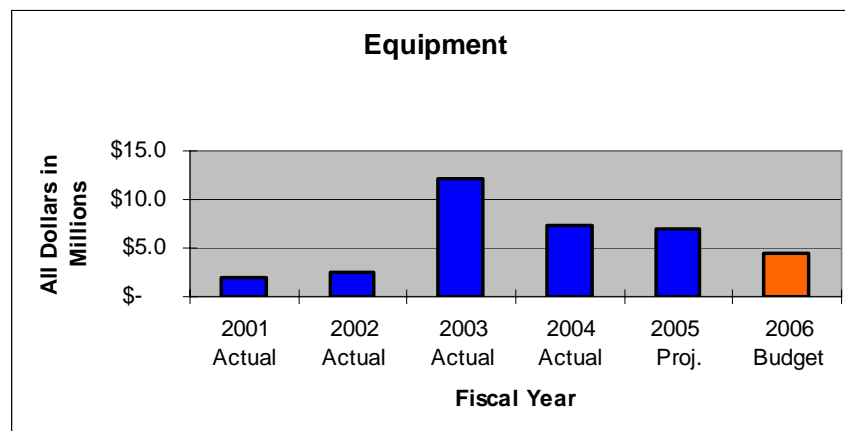
Equipment represents tangible purchases by the County which assist and support County agencies and departments in performing and successfully executing their mission. Depending upon the type of equipment purchased, the associated cost will either be expensed from the operating budget or be capitalized through a capital project. If the equipment is nominal in cost (less than \$1,000) and has a useful life of less than five years, it will be purchased from a department's operating budget. Items characterized as equipment include office furniture/furnishings; copying equipment; education/training equipment and motor vehicles.

Conversely, equipment which is considered to have a useful life greater than five years and is a high cost item, (greater than \$1,000) or is purchased on an irregular basis, are capitalized. Examples of such items are medical/dental equipment, building equipment, heavy duty equipment and traffic/highway equipment.

Historical Trends

Equipment expenses increased significantly between 2002 and 2005 due to a decision to replace (over a three year period) all county vehicles with an excess of 100,000 miles and pay for them out of the Operating Budget instead of the Capital Budget. This was largely responsible for the \$10 million increase in equipment expense between 2002 and 2003.

In 2003, 211 vehicles were purchased for the Police Department and three other public safety departments. However, a freeze on all non-essential and non-emergency purchases was instituted in the 4th quarter of 2003 realizing a savings of approximately \$3.3 million. The 2005 projection of \$9.4 million is consistent with the three year plan mentioned above.



2006 Budget

The Fiscal 2006 Adopted Budget for Equipment is \$4.6 million; a decrease of approximately \$4.8 million over Fiscal 2005. This decrease in expense is due in part to the County's decision to accelerate the purchase of police vehicles from 2006 to 2005.

DESCRIPTION OF EXPENSE AND REVENUE CODES



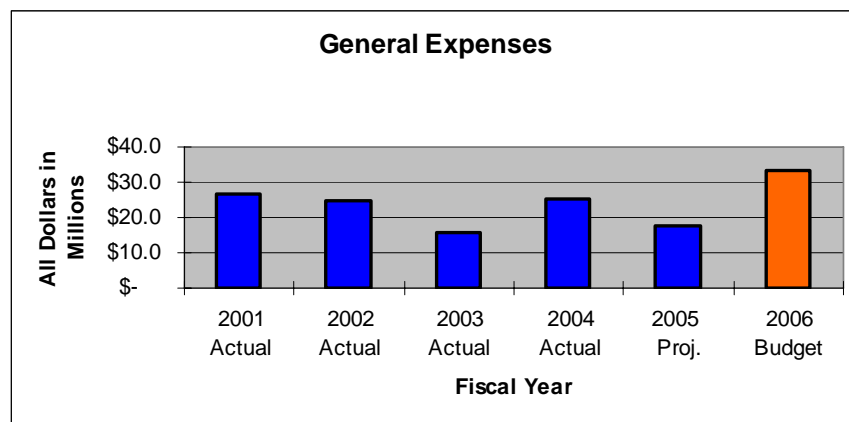
GENERAL EXPENSES

Definition

This category of expenses represents a wide range of products and services which are required by departments to support service delivery. They include office, maintenance, medical, recreational and automotive supplies. In addition, this category also captures the expense associated with road maintenance projects and sewage and drainage supplies.

Historical Trends

General Expenses were at a relatively flat level until 2003, when OMB instituted a split between the Materials and Supplies and General Expense object codes in the Police Department. This split resulted in an increase of approximately \$10 million in Materials & Supplies expenses in 2003 and a



corresponding decrease in General Expenses that same year. Normal recurring General Expenses remained at this level through 2005, except for the impact of a one time \$8 million cost in 2004 due to the HHS Scanning project and the purchase of vehicle parts for the Police Department.

2006 Budget

The Fiscal 2006 budget of approximately \$33.5million is an increase of \$16 million over Fiscal 2005 projections. This increase results from the merge of the Materials & Supplies and General Expenses object codes.

DESCRIPTION OF EXPENSE AND REVENUE CODES



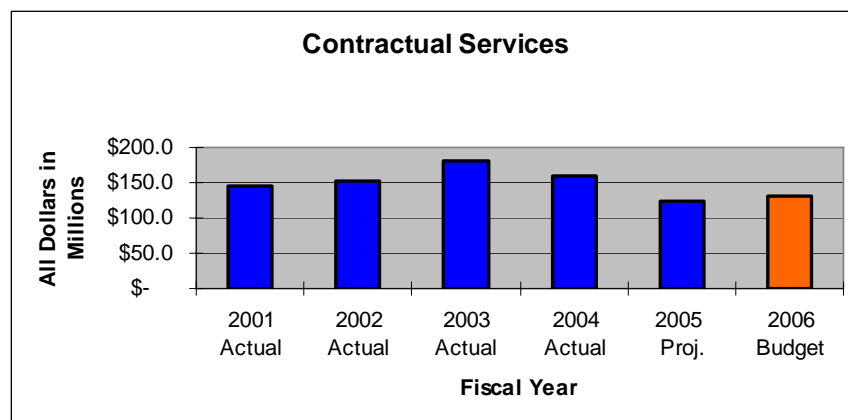
CONTRACTUAL SERVICES

Definition

A contractual service is work performed by a contractor independent of Nassau County. This independent contractor has specialized knowledge, expertise, experience, or similar capabilities where the service rendered has been determined by the County best performed by an entity outside of the County organization. Examples of services the County would contract out are specialized education and training, food and medical services for the Juvenile Detention and Correctional Centers, and counseling services.

Historical Trends

Contractual services increased from \$151.4 million in 2002 to \$181.4 million in 2003. \$9.1 million of this increase was for the contract with Cole Layer & Trumble Company (CLT) to complete the annual reassessments for 2003 and 2004.



In 2004, contractual services decreased to \$159.6 million. Prior to 2003, the Department of Assessment spent approximately \$3 million annually on outside contractors to defend small claim assessment review proceedings (SCARPS). The number of residential protests was anticipated to double because the Assessment Review Commission (ARC) would be able to resolve many of the SCARP proceedings. In 2003, ARC took over the SCARPS function and encumbered all available funds to do this during 2003 and 2004. In 2004 and 2005, the department of Assessment has taken over this function, which is performed in-house through qualified personnel allowing contractual services to further decrease.

Fiscal 2005 is projected to be approximately \$4 million over the adopted budget of \$120.4 million. \$2 million was utilized in the continuation of the Mannatt contract for the Nassau Health Care Corporation (NHCC) recovery plan. Approximately \$500,000 are costs associated with performing an arbitrage rebate analysis of the County debt.

2006 Budget

The Adopted Fiscal 2006 Budget totals approximately \$130.9 in Contractual Services, which demonstrates the County's commitment to contain administrative spending.

DESCRIPTION OF EXPENSE AND REVENUE CODES



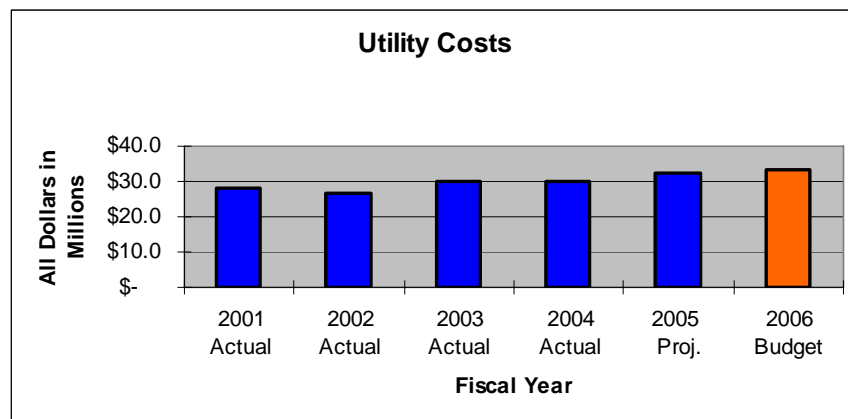
UTILITY COSTS

Definition

Utility Costs generally describe the sources of energy required for the continuous operation of an organization's physical plant. In Nassau County, utility costs include expenditures for electricity, natural gas, telephone, water, fuel oil and thermal energy. The Long Island Power Authority (LIPA) is the main supplier of electricity and Keyspan Corporation is the primary provider of natural gas. The County has a contractual relationship with the Trigen Nassau Energy Corporation to supply the County with thermal energy through the mediums of high temperature hot water, chilled water and steam.

Historical Trends

Utility Costs have experienced growth of \$2.25 million from Fiscal 2001 through 2004 and, it appears, that this trend will continue due to the current upsurge in the prices of fuel oil and natural gas. Much of the electricity generated by LIPA to supply its customers requires the use of fuel oil and natural gas. Consequently, increases in



prices of these resources have resulted in higher electric costs to the County. For Fiscal 2002, utility costs for the County amounted to \$26.6 million and, for Fiscal 2003 and 2004, these expenditures spiked up to \$29.8 million and \$30.2 respectively.

It is projected that Fiscal 2005 spending for utilities should not exceed \$31.6 million. However, this projection has not been revised to address the impact of Hurricane Katrina.

2006 Budget

The County has embarked on an aggressive approach towards reducing its growing utility costs by participating in the New York Power Authority's Energy Services Program (NYPAES). Seven County buildings have been targeted as participants in the Program. It is projected that this program should realize a 2006 savings of \$840,000.

The Adopted Fiscal 2006 Utility Budget totals \$33.2 million which is an increase of \$1.9 million from the Adopted Fiscal 2005 Budget. Recognizing that this includes a savings of \$840,000, the true increase in Utility Costs for 2006 is expected to be \$2.6 million or a nine percent increase.

DESCRIPTION OF EXPENSE AND REVENUE CODES



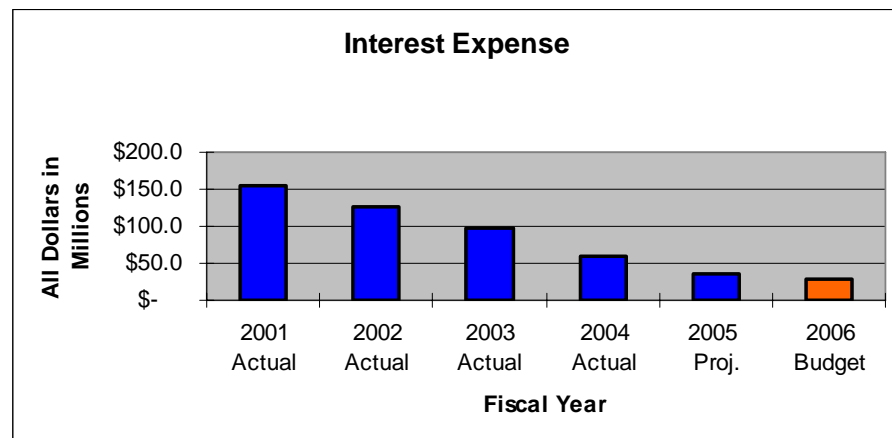
DEBT SERVICE INTEREST

Definition

The County's Debt Service contains appropriations for the scheduled interest payments of its outstanding General Obligation debt, which is issued for projects for the General, Recreation and Parks, Fire Prevention, Police Headquarters, Police District, Community College and Consolidated Sewer & Storm Water funds.

Historical Trends

The County's actual debt service interest costs have steadily dropped by about \$30 million annually in recent years, from \$154.5 million in 2001 to \$60.3 million in 2004. The 2005 Budget totaled \$48.2 million. The primary reason for this decline has been the County's decision to use the Nassau Interim Finance Authority



(NIFA) to refinance outstanding County debt. This dramatically reduced interest costs in the short term while spreading payments out over a longer period of time. Additionally, this policy has had the effect of increasing the County's debt service expenses categorized as sales tax set-asides.

Other factors contributing to year-to-year changes include the scaling back of the County's capital program and the declining interest rate environment.

2006 Budget

The Fiscal 2006 Adopted Budget includes \$27.8 million in interest payments. The continued decline is due to the same factors discussed above.

DESCRIPTION OF EXPENSE AND REVENUE CODES



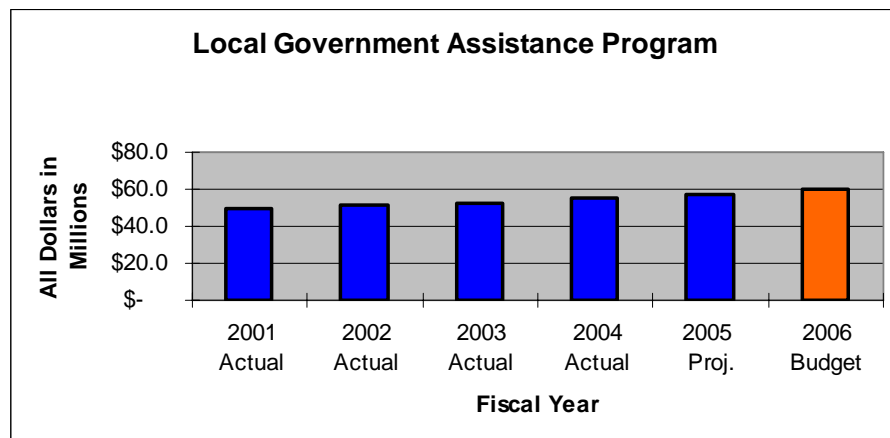
LOCAL GOVERNMENT ASSISTANCE PROGRAM

Definition

By State law the County is required to distribute .059 percent ($\frac{1}{4}$ percent of the $4\frac{1}{4}$ percent Nassau County receives which equals .059 percent) of its sales tax collections to the three towns and two cities. An additional appropriation has been authorized for the County's villages.

Historical Trends

Local Government Assistance to the towns and cities is based purely on a mathematical formula and dependent on the County's sales tax receipts. Therefore, as the County's sales tax collections have grown in recent years, so have its Local Government Assistance contributions.



Aid to villages also has increased from \$250,000 in 2001 to \$500,000 in 2004 and \$750,000 in 2005.

2006 Budget

The Fiscal 2006 Adopted Budget increases local government assistance to \$59.8 million which includes \$1 million for local villages.

DESCRIPTION OF EXPENSE AND REVENUE CODES



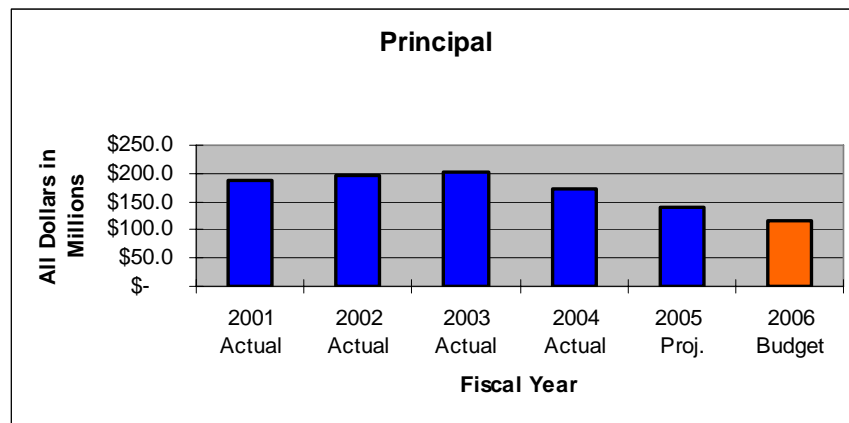
DEBT SERVICE PRINCIPAL

Definition

The County's Debt Service Fund contains appropriations for the scheduled principal amortization of its outstanding General Obligation debt, which is issued for projects for the General, Recreation and Parks, Fire Prevention, Police Headquarters, Police District, Community College and Consolidated Sewer & Storm Water funds.

Historical Trends

The County's debt service principal payments rose slightly from 2001 to 2003 from \$186.4 million to \$203.7 million as amortization on prior capital projects came due. They dropped significantly in 2004 to \$171.4 million as the County's own debt obligations were shifted to NIFA borrowings. The 2005 Budget totaled \$140.6 million.



2006 Budget

The Fiscal 2006 Adopted Budget includes \$115.1 million for principal payments. The continued decline in payments is attributable to the same factors discussed above.

DESCRIPTION OF EXPENSE AND REVENUE CODES



NASSAU HEALTHCARE CORPORATION

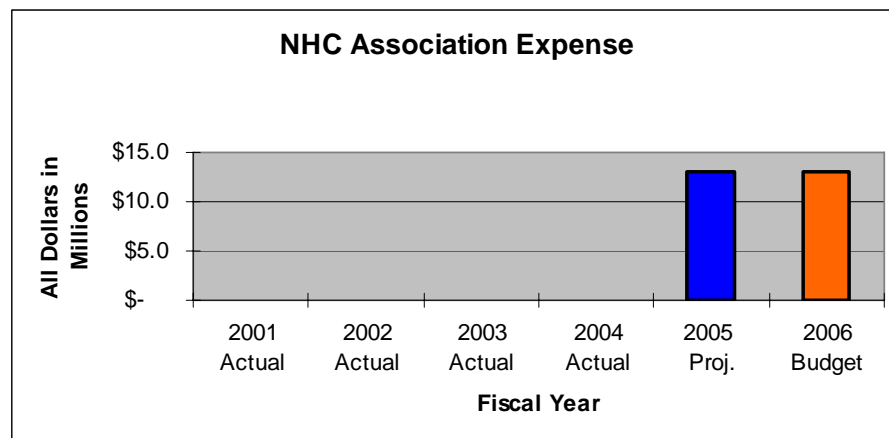
Definition

This category represents an annual payment, known as the Historic Mission payment, made by the County to the Nassau Health Care Corporation. The hospital often is not reimbursed for the medical services it provides to clients who are indigent, uninsured or not covered by Medicaid. Consequently, the County provides this annual subsidy.

Historical Trends

This payment commenced in 1999 based on the Transfer Agreement between the County and Hospital, and has been held at a level \$13 million amount annually.

Prior to 2005, this payment was recorded in the Other Expenses object code.



2006 Budget

The Nassau Health Care expense is again budgeted at \$13 million. However, the County and the Hospital are currently engaged in talks regarding a successor agreement that could result in a change to the size of this payment in 2006.

DESCRIPTION OF EXPENSE AND REVENUE CODES



DEBT SERVICE CHARGEBACKS

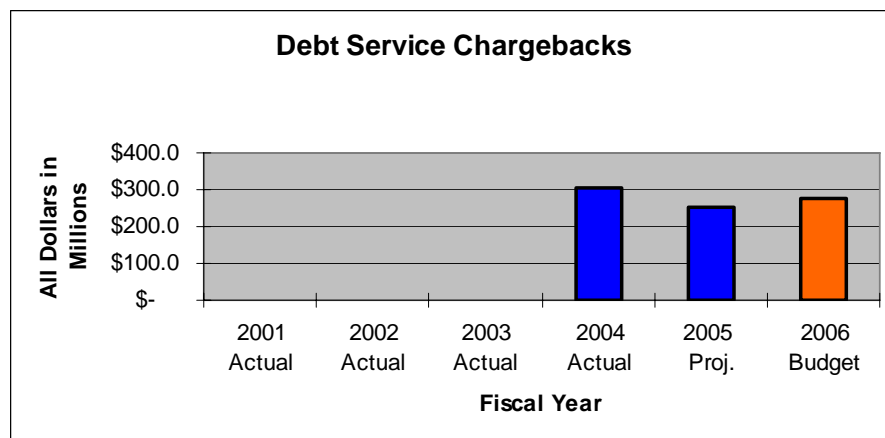
Definition

The County budgets and makes all debt service interest, principal and set-aside payments out of the Debt Service Fund. These expenses are then charged to the Major Operating Funds on a project-by-project basis. Debt Service Chargebacks reflect these costs to the General, Recreation and Parks, Fire Prevention, Police Headquarters and Police District funds.

To improve fiscal reporting and distinguish debt service chargebacks from other unrelated chargebacks, this object code was first created in 2004. In prior years, it had been budgeted and recorded as part of Interdepartmental Charges and/or Interfund Charges.

Historical Trends

Since this object code was only created last year, there is very little trend data for comparative purposes.



2006 Budget

The Fiscal 2006 Adopted Budget contains \$275.1 million in debt chargebacks to the Major Operating Funds. This is less than the prior two budgets due to a combination of declining debt service expenditures countywide and increases in other revenue sources to the Debt Service Fund.

DESCRIPTION OF EXPENSE AND REVENUE CODES



INTER-DEPARTMENTAL CHARGES

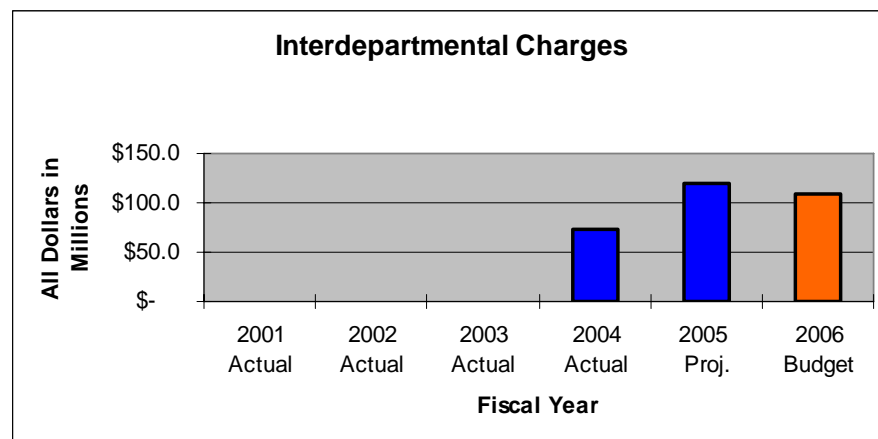
Definition

Interdepartmental charges are billed for services performed by one County department for another County department. This service is usually performed by a centralized shared service department with specialized knowledge, expertise, experience, and capabilities. Examples of these centralized services would include information technology, public safety and security, legal, records management, purchasing, facilities management, fleet services, mail services, printing and graphic services as well as workers compensation expenses and the County's central government indirect costs as defined by the Full Cost Allocation Plan.

However, interdepartmental charges can also result between departments that need to share program specific resources or capabilities to provide a constituent service or program deliverable. Examples of these program specific services would include, probation services, mental health services, drug and alcohol services, selected social services, and senior citizen services.

Historical Trends

Interdepartmental Charges is a new object code established in 2004 to capture the difference between these charges and interfund charges. Interdepartmental charges are charges within the major fund structure of the County and do not address charges or transfers between the major funds and special districts such as the Sewer and Stormwater Resource District and/or other distinct County entities such as the Community College.



The trend for interdepartmental charges will reflect the changes that occur in the County's shared services environment. Since 2003, the County has significantly increased the centralized functions within the County, particularly in the areas of legal services, facilities management, fleet services, public safety services and health and human services. As centralized shared services are expanded, both interdepartmental charges and consequently interdepartmental revenues will increase.

2006 Budget

The Fiscal 2006 Adopted Budget for this object code totals \$108.1 million. This is an increase of \$33 million over the Fiscal 2004 actual. Departments experiencing the largest percentage increases in interdepartmental charges are within the Health and Human Services vertical organization.

DESCRIPTION OF EXPENSE AND REVENUE CODES



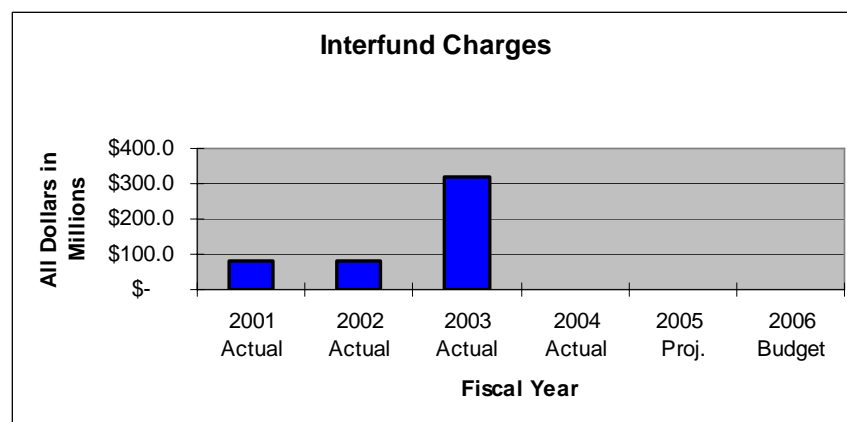
INTERFUND CHARGES

Definition

Expenses incurred by departments within the Major Operating Funds for services provided by non-Major Operating Fund entities are classified as Interfund Charges. These can include costs that the Grant, Community College, Capital and Sewer District funds are bearing on behalf of County operating departments. These expenses are distinct from Interdepartmental Charges, which are limited to costs within the Major Operating Funds.

Historical Trends

Prior to 2004, the County recorded both Interfund and Interdepartmental Charges within this object code. That year, OMB improved the quality of the County's financial reporting and reflected the important distinction between these two categories in the County's financials. Consequently, all Interdepartmental



Charges were moved out of this object code, leaving only a small amount of Interfund Charge expenses incurred by the Office of Housing and Intergovernmental Affairs and General Fund Debt Service. It is estimated that 2005 Interfund Charges will total only \$25,000.

2006 Budget

Only \$175,000 in Interfund Charges exists in the Adopted 2006 Budget.

DESCRIPTION OF EXPENSE AND REVENUE CODES



MASS TRANSPORTATION

Definition

Transportation is a major component of the Nassau County operating and capital budgets. Through Federal, State and County Charter mandates, the Planning Department carries out all transportation functions. It coordinates all concerns of the Federal Transit Administration, the New York Metropolitan Transit Administration and the New York State Department of Transportation, among other transportation agencies. The Planning Department secures federal capital funds for the various mass transportation projects countywide.

Mass transportation in Nassau County is provided by four major operating subsidies:

The Fixed Route subsidy to MTA Long Island Bus provides transportation to approximately 30 million riders annually.

The Para transit Route subsidy to MTA Long Island Bus provides transportation to approximately 318,000 riders annually.

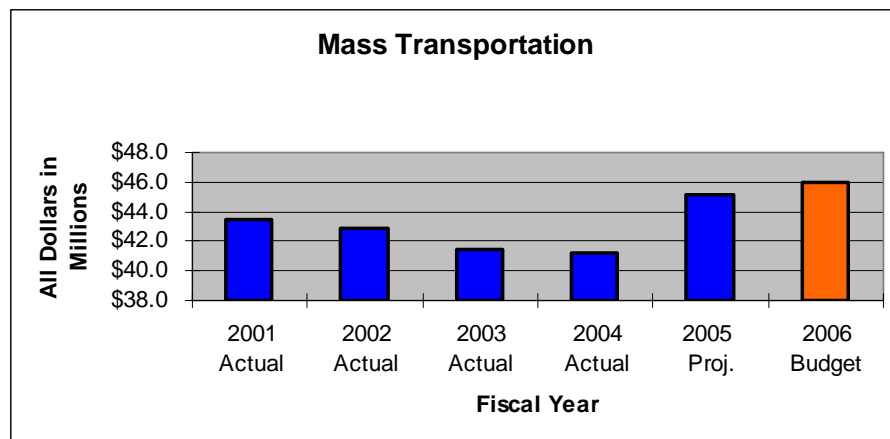
The LIRR Operating Subsidy or State Transportation Operating Assistance (STOA) is a local match mandated by Section 18-B of the NYS Mass Transportation Law to provide operating assistance to the State.

The LIRR Station Maintenance is mandated by State Law. The base amount for Nassau County is set and is adjusted cumulative for change in the regional Consumer Price Index each year.

Historical Trends

The major variable in this appropriation is the Long Island Bus component.

Investment in this component has increased since Fiscal year 2004. The Long Island Bus subsidy in Fiscal years 2005 and 2006 totals \$10.5 million (\$7.5 million for the fixed route and \$3 million for the paratransit route).



2006 Budget

For 2006, the Adopted Budget contains nearly \$46 million for mass transportation. The subsidy to Long Island Bus will remain at \$10.5 million. The LIRR Maintenance subsidy continues to grow by the consumer price index of 3.7 percent and is being budgeted at approximately \$24 million. The remainder of the budget is the STOA subsidy for \$11.6 million, which remains unchanged.

Nassau County Office of Management and Budget

DESCRIPTION OF EXPENSE AND REVENUE CODES



NIFA EXPENDITURES

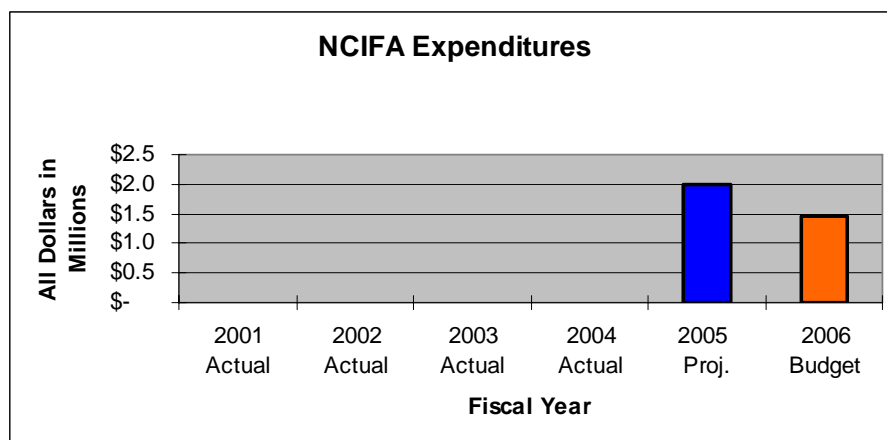
Definition

This object code appropriation contains the administrative cost of providing the oversight responsibility of the Nassau County Interim Finance Authority (NIFA).

Historical Trends

NIFA expenditures have decreased from \$1.7M in 2001 to \$1.5M in 2006.

However, due to the method in which NIFA expenses are recorded in the financial system (recorded as negative sales tax revenue), there are no actual expenditures recorded in this object code for prior years.



2006 Budget

The Adopted 2006 Budget assumes \$1.5 million for NIFA operating expenses.

DESCRIPTION OF EXPENSE AND REVENUE CODES



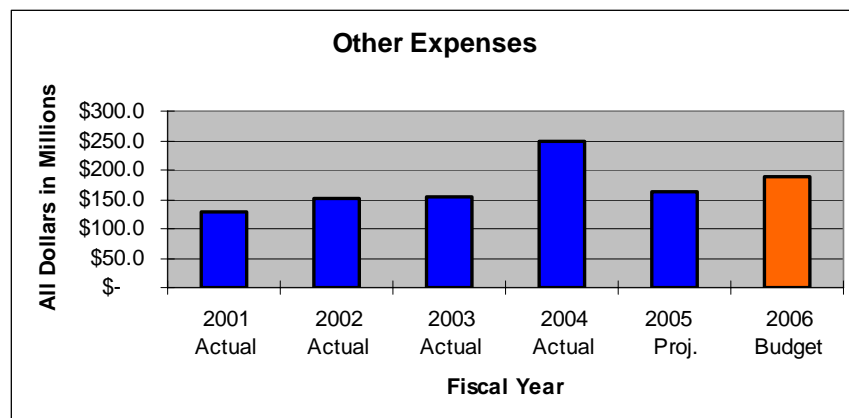
OTHER EXPENSES

Definition

Inevitably in municipal budgets there exist expenditures that do not neatly fit into the established classification structure. Nassau County allocates these costs into the Other Expenses object code. Containing a wide variety of often unrelated components, Other Expenses includes appropriations for such items as suits and damages, indigent criminal defense, Payments in Lieu of Taxes (PILOTS), Nassau Interim Finance Authority sales tax set-asides, building rental, insurance, community college tuition chargebacks and county association memberships.

Historical Trends

Between 2001 and 2003, Other Expenses grew from \$128.5 million to \$153.1 million. Most of this was the result of increased obligations related to the Nassau Health Care Corporation. Another factor was the County's decision in 2003 to begin paying certain legal judgments and settlements out of the Operating Budget instead of borrowing for this purpose.



Between 2003 and 2004 Other Expenses increased from \$153.1 million to \$249.2 million, but this was almost entirely due to an accounting change. In prior years, the impact of Nassau Interim Finance Authority (NIFA) sales tax set asides to cover the County's outstanding debt obligations due to NIFA borrowings was recorded as negative revenue. Beginning in 2004, however, this impact was recorded as expenditure in the Debt Service Fund totaling \$93.9 million. The dramatic drop in projected 2005 Other Expenses is again attributable to an accounting change. All \$90 million in Pre-School Special Education costs were moved to their own object code.

2006 Budget

Other expenses total \$187.4 million in 2006. The largest components of this allocation are \$148.2 million for NIFA sales tax set-asides, \$12.6 million for building rentals and insurance and \$9 million for indigent criminal defense. In addition, this year's budget proposes appropriating \$5 million in reserve for unforeseen events and another \$2.5 million as a contingency should Medicaid caseloads exceed budget.

DESCRIPTION OF EXPENSE AND REVENUE CODES



EARLY INTERVENTION / SPECIAL EDUCATION

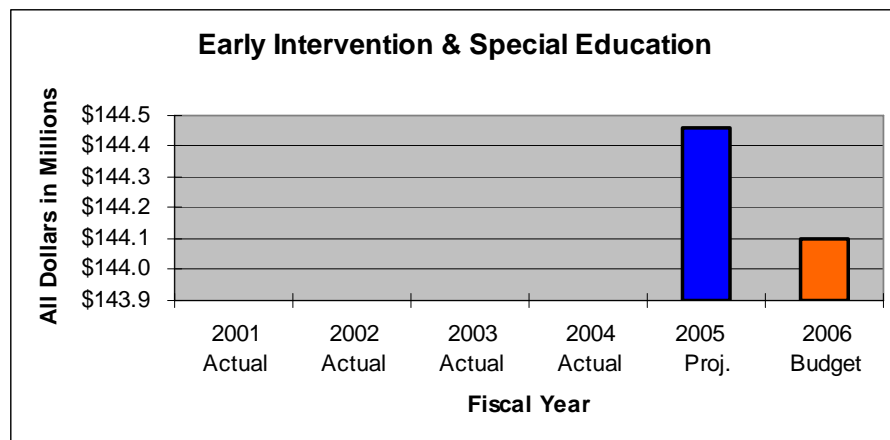
Definition

The Preschool Special Education Program is mandated by Section 4410 of the New York State Education Law and provides services to special needs children ages 3 – 5. The program also oversees financial support for Summer School programs for 5-21 year olds and a County-wide transportation system for both Early Intervention (ages 0-3) and Preschool (ages 3–5).

The Early Intervention Program is mandated by Federal and State Law and provides specialized services for eligible developmentally delayed children from 0 – 3 years.

Historical Trends

Preschool and Early Intervention expenses increased between 2001 and 2005 due to rising caseloads and retro-active rate increases for provider services. These costs were lumped together with Other Expenses in other object codes prior to 2005.



In an effort to better identify Early Intervention and Preschool programs, a new object code was established in the Fiscal 2005 Adopted Budget. The 2005 expenses are projected at \$144.5 million, an increase of approximately \$17 million over 2004 due to greater than usual growth in the number of students enrolled in the Pre-School Program, a new transportation contract and increased evaluations.

2006 Budget

In 2006, the Pre-School Program was transferred to the Health Department as part of the HHS consolidation initiative; therefore, all Pre-School and Early Intervention expenses are now in the Health Department. Expenses in this category are budgeted in 2006 at \$144 million which is \$450,000 less than the 2005 Projection. This is due to the decreasing trend in Early Intervention caseloads experienced over the past three years and the new state law that requires children to “age out” earlier.

DESCRIPTION OF EXPENSE AND REVENUE CODES



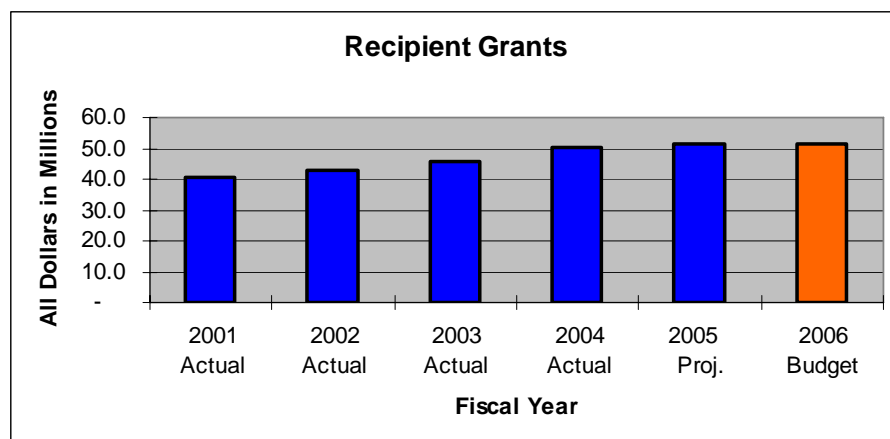
RECIPIENT GRANTS

Definition

Recipient Grants are payments made directly to clients of the Department of Social Services for programs such as Temporary Assistance to Needy Families (TANF), Safety Net Assistance (SNA), Food Stamps, Foster Care and Home Energy Assistance Program (HEAP). The TANF and Safety Net programs promote the goal of self-sufficiency through employment. TANF provides assistance and work opportunities to needy families. SNA provides assistance to individuals and families who do not qualify for the TANF program. SNA is a program for clients without a minor dependent child or children in the household. The Food Stamp program helps low-income households by supplementing their monthly food budget. Foster Care assists families when children cannot be with their parents because of a crisis. The HEAP Program helps low-income households meet the high cost of home energy.

Historical Trends

Caseloads have increased each year as need and public awareness of the TANF, SNA, Food Stamps, Foster Care and HEAP programs have increased. The large increase in 2004 to \$50.2 million was due to the increase in caseloads, particularly in Public Assistance / Safety Net Assistance and the increased awareness of the HEAP program. Fiscal 2005 is projected to be equal to the adopted budget of \$51.6 million.



2006 Budget

The 2006 budget includes \$51.7 million in Recipient Grants.

DESCRIPTION OF EXPENSE AND REVENUE CODES



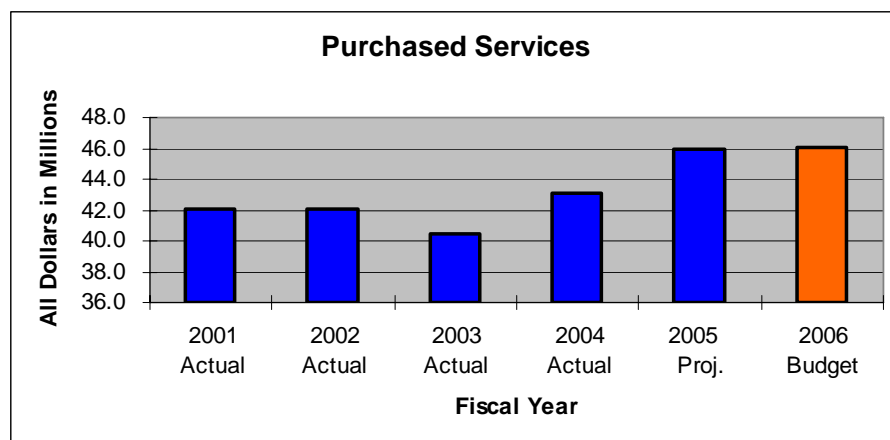
PURCHASED SERVICES

Definition

Purchased Services are payments made to agencies that operate independently of Nassau County for mandated Social Service programs such as Day Care, Foster Care Services, Adoption Fees, Adult Protective Services, Adult Preventive Services, and Homemaking Services. Day Care is provided not only to residents on temporary assistance, but also to working families who meet income guidelines for subsidies. Foster Care helps families when children cannot be with their parents because of a crisis. Adult Protective Services helps adults incapable of caring for themselves because of a physical or mental incapacity and/or are abused, neglected or financially exploited by others; and have no one willing or able to assist them responsibly. Adult Preventive Services provides help for those adults who demonstrate a need for assistance in managing their activities of daily living. Services may include medical and/or psychiatric support services, homemaking and financial management services. Homemaking Services program provides for in-home care for adults who need assistance with their activities of daily living in order to delay or prevent placement in nursing homes or other institutions.

Historical Trends

The large decrease in 2003 to \$36.3 million was due to the change in Day Care eligibility requirements. In 2003, clients were required to apply for Child Support before they were permitted to apply for Day Care. Also, in 2003, the eligibility requirements for Homemaking Services were tightened to ensure



clients were not receiving more hours of service than necessary. Fiscal 2005 is projected to be equal to the adopted budget of \$45.9 million.

2006 Budget

The 2006 budget includes \$46 million in Purchased Services.

DESCRIPTION OF EXPENSE AND REVENUE CODES



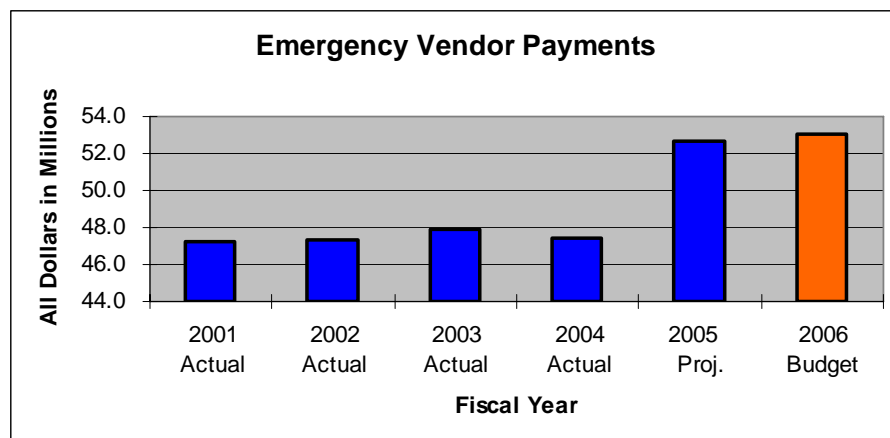
EMERGENCY VENDOR PAYMENTS

Definition

Emergency Vendor Payments are made to vendors on behalf of clients of the Department of Social Services (DSS). These clients may be placed in institutions for different reasons. School districts place children in severe need of Special Education assistance in institutions for the school year. Clients may be placed in DSS custody for various reasons including court placements, severe cases of child abuse, or Persons In Need of Supervision (PINS), and therefore need to be housed in an institution. The DSS PINS unit coordinates contracted agencies' foster home and group care services for court placed PINS youngsters who require therapeutic foster care and/or residential services due to their higher levels of needs and/or asocial behaviors. In addition, Emergency Vendor Payments are made on behalf of Temporary Assistance to Needy Families (TANF) and Safety Net clients as a result of an urgent need or situation that has to be taken care of right away; for example, emergency payments to utilities and fuel oil vendors to meet emergency situations of utility shut-off and fuel needs; emergency payments for shelter; furniture and clothing vouchers are issued to clients to meet their emergency needs; payments to the Funeral Home for burial of a deceased, indigent person, etc.

Historical Trends

The decrease in 2004 to \$47.5 million was due to a new payment system put in place by the State. This delayed some payments into 2005. The large increase in 2005 to \$52.6 million was due to some payments shifted from 2004 due to the new State payment system and to the increase in caseloads,



particularly in Day Care. Fiscal 2005 is projected to be approximately \$1.8 million over the adopted budget of \$50.8 million. This increase is due to unanticipated increases in expenses for Special Education assistance for children placed into institutions. This is the result of three factors: 1) higher enrollment / new cases for Special Education assistance requiring institutionalization, 2) back billing from the State for cases in previous years, and 3) annual rate increases and adjustments.

2006 Budget

The 2006 budget includes \$53.1 million in Emergency Vendor Payments, which is based on a 4.4 percent baseline inflator.

DESCRIPTION OF EXPENSE AND REVENUE CODES



MEDICAID

Definition

Title XIX of the Social Security Act is a Federal/State entitlement program that pays for medical assistance for certain individuals and families with low incomes and resources. This program, known as Medicaid, became law in 1965 as a cooperative venture jointly funded by the Federal and State governments (including the District of Columbia and the Territories) to assist States in furnishing medical assistance to eligible needy persons. Medicaid is the largest source of funding for medical and health-related services for America's poorest people.

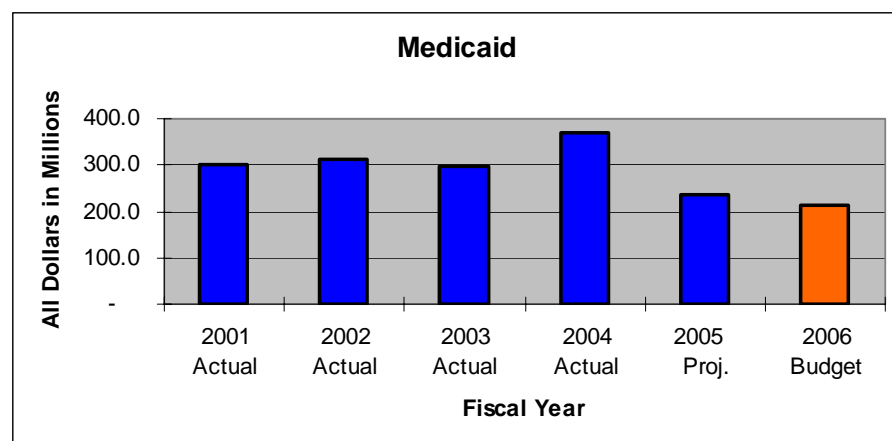
Within broad national guidelines established by Federal statutes, regulations, and policies, each state (1) establishes its own eligibility standards; (2) determines the type, amount, duration, and scope of services; (3) sets the rate of payment for services; and (4) administers its own program. Medicaid policies for eligibility, services, and payment are complex and vary considerably, even among states of similar size or geographic proximity. Thus, a person who is eligible for Medicaid in one state may not be eligible in another state, and the services provided by one state may differ considerably in amount, duration, or scope from services provided in a similar or neighboring state. In addition, state legislatures may change Medicaid eligibility, services, and/or reimbursement during the year.

Until 2006, New York was unique in shifting a large share of this federal/state healthcare program to its county taxpayers. Counties were required to pay approximately 50 percent of the non-federal share of most Medicaid services. As of 2006, the State will begin to take on more of the Medicaid burden under the newly determined Medicaid cap.

Eligibility for Medicaid is administered through the Nassau County Department of Social Services. The State pays medical providers for services rendered on behalf of Nassau patients and bills the County its share through weekly billing reports from the Medicaid Management Information System. The County makes these share payments from the Medicaid expense line of the General Fund Operating Budget.

Historical Trends

Medicaid expenses are composed of a set of individual medical services, each growing at their own rate. On top of these expenses are certain adjustments and other payments that do not vary. The group of medical expenses grew at an average rate of 13 percent from 2001 to 2004 throughout New York State, prompting a



DESCRIPTION OF EXPENSE AND REVENUE CODES



response by counties that eventually led to the implementation of the Medicaid cap in 2006. Nassau's expenses were most affected by the impact of medical services such as Skilled Nursing Care, Personal & Home Health Care Aides and Prescription Drugs. Expenses were further increased by the creation of Family Health Plus, which doubled in enrollment in each of its first 3 years. Helping to dampen the rapid increases in 2003 and 2004 were the effects of the Nassau Medicaid Utilization Initiative and the FMAP, (Federal Medical Assistance Percentage), which increased revenue and decreased expenses by several million dollars each. Family Health Plus expenses are being assumed by the State in the fourth quarter of 2005, helping to further hold down 2005 Medicaid expenses. Prior to 2004, Medicaid Intergovernmental Transfer (IGT) expenses were included in the Medicaid object code. In 2004 a new object code was created for the IGT and this expense has been removed from the Medicaid line. The large increase seen in 2004 is due to an unusually high IGT payment that year. In 2005, not only is the IGT payment expected to be lower, it is also taken out of the Medicaid expense, explaining the seemingly significant drop from 2004 to 2005.

As of the end of the Third Quarter of 2005, Medicaid is projected to cost the County \$237.7 million. Non-IGT Medicaid expenses, which are entirely in the Budget of the Department of Social Services, are expected to come in at approximately \$275 million versus the Fiscal 2005 Adopted Budget of \$281.7 million. This is based on estimates that utilize the most up to date actuals and growth rates. Also included is the impact of a one time accounting benefit of \$37 million that is related to an annual expense accrual that will no longer be recorded as a result of the implementation of the Medicaid cap. This is partially offset by a \$23.5 million revenue accrual in the State Aid line of Social Services.

2006 Budget

In 2006, the structure of the entire Medicaid program and the method by which counties pay for it will be changed. As a result of strong efforts by the counties and a legislative change at the state level, a cap has been placed on local county Medicaid costs. States will now be required to pay the lesser of their actual Medicaid expenses, or a capped amount that will be equal to their 2005 base level of expenses plus a 3.5 percent inflation rate in 2006. The amount a county will have to pay in 2007 and 2008 will be the 2005 base level plus 6.75 percent and 9.75 percent respectively, after which expenses will grow by a maximum of three percent annually. Counties will then have a choice between paying the annual level or an equivalent amount of sales tax revenue, the choice to be made by individual county.

The end result of this effort to Nassau is that the amount of Medicaid funding required in 2006 will decline precipitously to \$214.6 million, from a projection of more than \$270 million in 2005. Also, an additional \$2.5 million has been set aside as a reserve in the Miscellaneous Budget should Medicaid expenses exceed the budgeted amount.

DESCRIPTION OF EXPENSE AND REVENUE CODES



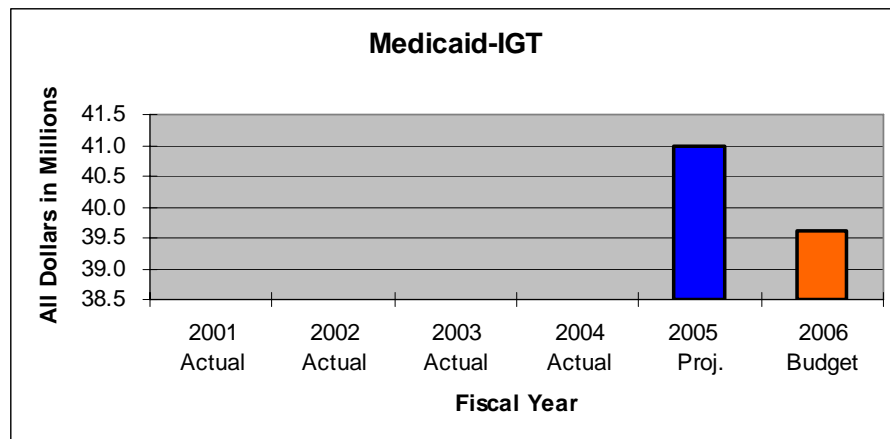
MEDICAID - IGT

Definition

The Intergovernmental Transfer (IGT) is the method by which local and federal governments contribute to the otherwise un-reimbursed cost of Bad Debt and Charity Care in accordance with normal cost sharing, with the Federal government providing 50 percent of funding.

Historical Trends

Prior to 2005 the IGT payment was captured within the Medicaid expense line in the Social Services Budget. Only in 2005 was this expense broken out into its own object code. For this reason the accompanying graph shows no IGT prior to 2005. A true sense of the overall impact of IGT and non-IGT Medicaid would require looking at the IGT and Medicaid graphs together.



The Intergovernmental Transfer has generally been budgeted at the same level as the previous year's budget because actual amounts are not available until September or October of a given year, and because each year's IGT includes an estimate for that year plus reconciliations from prior years, which can vary widely. For these reasons a true budgeted level is not possible to determine and the best estimate has been the prior year's budget. Because the IGT is intended to be a contribution to public hospital and nursing homes' Bad Debt & Charity expense, the level of IGT will vary with this expense.

2006 Budget

The budgeted IGT within Social Services continues to be reduced to reflect the phase out of the Nursing Home portion. Nassau will continue to be made whole as it will recognize equal amounts of revenue and expense in 2006. The actual amount, \$39.6 million, will again be based on the level of Bad Debt and Charity expense experienced by the hospital and nursing home.

DESCRIPTION OF EXPENSE AND REVENUE CODES



FUND BALANCE

Definition

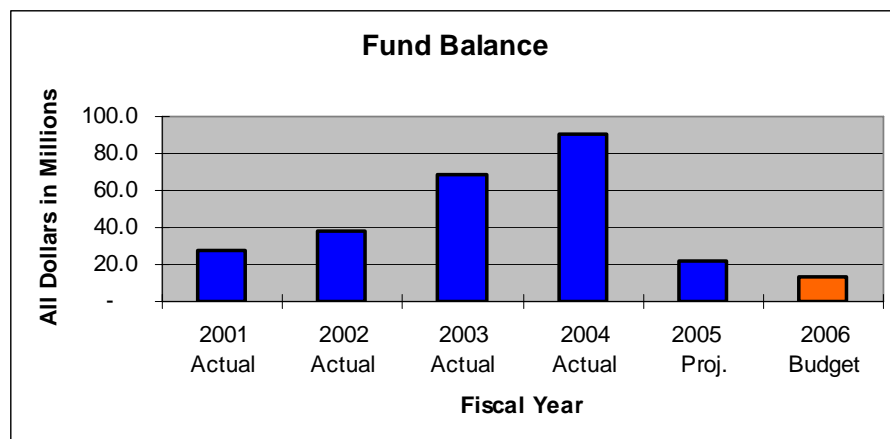
Sound financial management dictates that **recurring** expenditures be offset by **recurring** revenues, and Nassau County adheres to this principal. There are instances, however, when one-time expenses are identified and the County utilizes non-recurring resources to support them. These resources, most often generated by the County from prior-year surpluses are recognized in the budget as Fund Balance.

Historical Trends

Due to the way the Comptroller's Office books deposits of prior year surpluses into undesignated and designated fund balances, sizeable prior year actuals appear for Fund Balance between 2001 and 2004. The sharp rise in this amount is evidence of the County's success at growing its reserves, which amounted to \$90.5 million at the end of 2004.

2006 Budget

The 2006 Budget appropriates only \$13.4 million in Fund Balance and the purpose of this appropriation is to support non-recurring initiatives. These include \$5 million for the reserve for unforeseen events and approximately \$3.5 million to cover the costs of other non-recurring special investments that will be made in 2006.



YEAR-END FUND BALANCE OF MAJOR OPERATING FUNDS (DOLLARS IN MILLIONS)

	2001	2002	2003	2004	2005
Opening Positive/ (Negative) Fund Balance	\$ 27.8	\$ 27.8	\$ 68.3	\$ 81.0	\$ 100.5
Add: Current Year Operating Surplus	7.1	40.5	127.5	76.8	66.0
Less: One-time Transfers, Pre-Encumbrances and Investments	(7.1)	-	(114.8)	(57.3)	(59.1)
Closing Positive/ (Negative) Unreserved Fund Balance	27.8	68.3	81.0	100.5	97.4
Designated Unreserved Fund Balance in Ensuing Budget	-	-	-	(10.0)	(8.4)
Designated Unreserved Fund Balance as Contingency in Ensuing Budget	-	-	-	-	(5.0)
Closing Positive/(Negative) Unreserved, Undesignated Fund Balance	\$27.8	\$ 68.3	\$ 81.0	\$ 90.5	\$ 89.0

* All 2005 figures are estimates based upon the County Office of Management and Budget's Third Quarter Financial Report.

DESCRIPTION OF EXPENSE AND REVENUE CODES



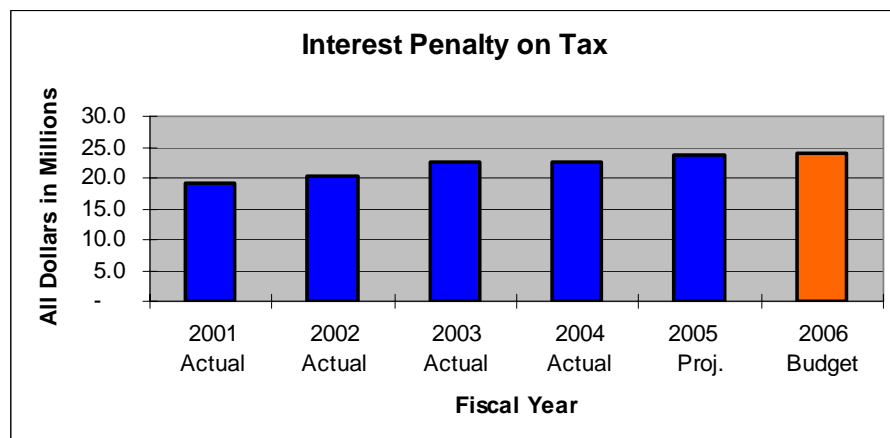
INTEREST PENALTY ON TAX

Definition

This object code captures the various penalties, interest and fees charged for the late payment of General and School taxes. These taxes are due and collected by the Town of Hempstead on January 1st and July 1st and October 1st and April 1st, respectively. However, when these taxes are paid late, a penalty is imposed and a rate scale including fees applies. A two percent penalty is imposed and collected by the Town of Hempstead when the late taxes are remitted from one to 20 days after the due date. After 20 days, the County imposes a five percent penalty on the total amount then due, the original principal plus the two percent penalty and an \$85 listing fee. Thereafter, a one percent penalty is imposed on the first day of each subsequent month on the total balance. If taxes remain unpaid for one year, a lien is authorized by the court and later sold with interest plus a one time advertising fee of \$85. Later, the taxpayer may redeem this lien by paying a 10 percent interest to the County. The County retains the difference in interest between which the lien was sold to the investor and the 10 percent interest paid by the tax payer.

Historical Trends

Since 2002, the Administration has taken an active role in selling old liens, which previously represented approximately \$23 million of uncollected liens. The County has contracted with an outside vendor to sell all liens and its effect has been positive as shown in the trends since 2001. The



The current inventory of liens consists of very old liens and liens of properties under litigation. The Administration is contemplating different ways to move this inventory.

2006 Budget

The Fiscal Year 2006 Adopted Budget assumes \$24 million. The increase from 2005 levels is consistent with the make up of the current liens inventory. An opportunity lies ahead to make a bulk sale and this might clear the inventory of very old not saleable liens.

DESCRIPTION OF EXPENSE AND REVENUE CODES



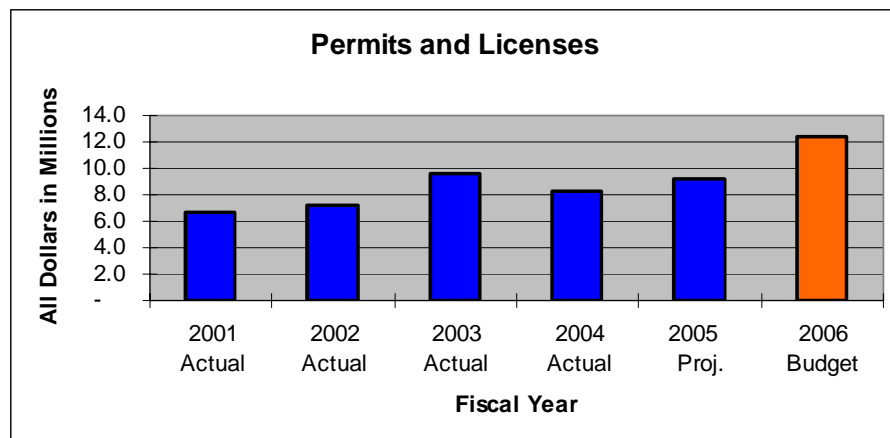
PERMITS AND LICENSES

Definition

Permits and Licenses include revenues collected by the County when individuals/entities require special permission or a certification to perform certain types of work or to provide services. Often, permits and licenses are required where applicants are mandated to demonstrate that they either have satisfied health and safety requirements or that they have achieved a minimum level of expertise. Examples of permit and license revenues generated by the County include those related to firearms, road openings, home improvements, food establishments and security alarms. In general, the revenue collected from licenses and permits is meant to offset the County's cost in processing applications and enforcing regulatory compliance.

Historical Trends

Permits and Licenses revenue increased from \$6.6 million in 2001 to \$9.5 million in 2003, before dropping slightly to \$8.3 million in 2004. The general trend is for slightly increasing revenue generation though there are some areas where permits are issued on a cyclical basis, thereby producing sporadic peaks in receipts.



The primary driver of the overall increase has been in the Health Department, particularly in food establishment licensing and hazardous materials storage fees. Each of these fees was raised in 2002 and helped generate an additional \$1 million between 2001 and 2004. Consumer Affairs licensing also rose, though the cyclical nature of home improvement license (two-year validation) resulted in a one-time peak in 2003. Police Department alarm and firearms permits revenues remained between \$2 and \$3 million, though the three-year validity of the alarm permit also produced peak revenues of \$2.8 million in 2003.

2006 Budget

The 2006 Budget contains \$12.5 million in permits and licenses revenue. The primary driver of this increase is an anticipated growth in receipts due to enhanced efforts in the Office of Consumer Affairs.

DESCRIPTION OF EXPENSE AND REVENUE CODES



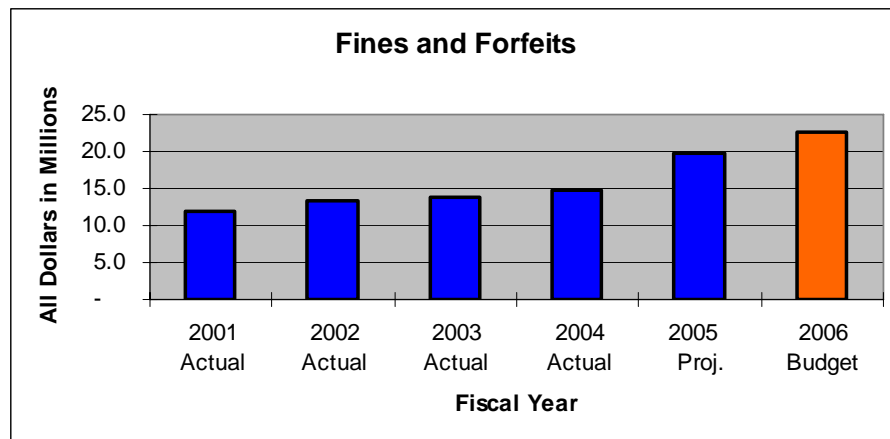
FINES & FORFEITS

Definition

Fines and Forfeitures represent revenue streams which accrue to the County from a variety of departments. These monies are paid to the County when individuals and businesses violate County laws and ordinances which can be civil or criminal in nature. The fee's associated with civil violations represent violations of consumer protection, health, parking and moving vehicular ordinances and laws. Criminal sanctions are fines collected from misdemeanor violations of vehicular laws and from bail forfeitures.

Historical Trends

The revenue associated with Fines and Forfeiture has increased over 23 percent from \$11.9 million in 2001 to \$14.7 million in 2004. In 2004 over 75 percent of this revenue, \$11.1 million, was generated by the Traffic Parking Violations Agency (TPVA); 14 percent,



\$2.1 million, from misdemeanor fines and bail forfeitures while the remaining \$1.5 million was realized by other County departments. Projected revenue for 2005 is \$19.7 million which is 34 percent higher than that of 2004. This increase is primarily attributed to an increase in the fees imposed upon parking and moving violations, and an intensification of collection efforts to collect aged violations which included an amnesty program targeting aged parking tickets.

2006 Budget

The 2006 Budget is approximately \$22.7 million which is \$2.9 million higher than the 2005 projected budget of \$19.7 million. The main factor in the increase is attributed to the aggressive ticket collection and various successful initiatives that the Traffic and Parking Violations Agency has achieved.

DESCRIPTION OF EXPENSE AND REVENUE CODES



INVESTMENT INCOME

Definition

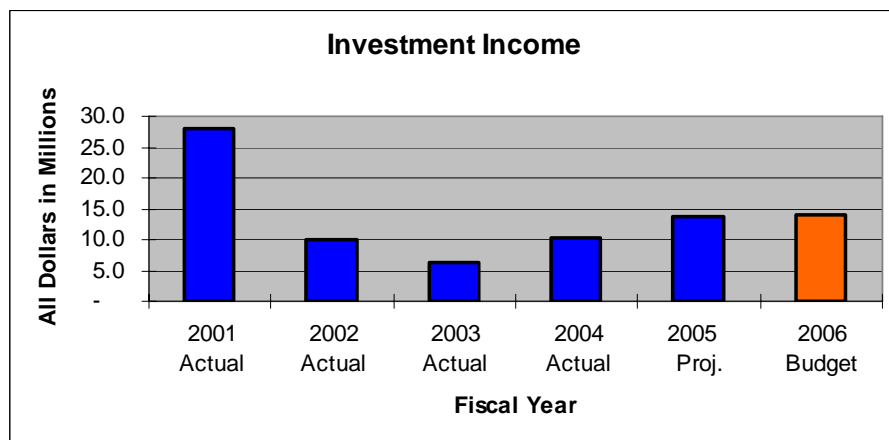
In accordance with General Municipal Law, the County may invest excess cash in certificate of deposits, money markets and time deposits accounts, repurchase agreements, obligations of the United States Government and obligations of the State of New York and its various municipal subdivisions. Due to the declining interest rates paid by the banks during late 2002 and 2003, the County discontinued investing in repurchase agreements and instead maintains cash and cash equivalents in money market interest bearing bank accounts.

Sources of excess cash may be:

- When the Nassau County Interim Finance Authority (NIFA) borrows money on behalf of the County for capital projects or bond proceeds; NIFA holds this money in an account until it is due for disbursement. During this period, the money earns interest, which is later paid to the County by NIFA.
- The County's share of sales tax is intercepted by NIFA who keeps a percentage to make debt service payments. This money is placed in an account where it earns interest and later given to the County as interest income.

Historical Trends

Investment income in 2001 was \$28 million, as the County had borrowed an extraordinary amount for cash flow purposes. Since then, cash flow borrowings have been significantly reduced and interest rates have dropped significantly. Therefore, decreased available cash and lower interest rates



were the reason for a decline in investment income through 2003. During Fiscal 2004 and 2005, the composition of investments in the County is money market and interest bearing checking accounts and averaging \$10 million a year.

2006 Budget

As of December 31, 2004, the County maintained approximately \$520 million in these accounts. Annual interest rates averaged 1.62 percent for the year. The Fiscal 2006 Adopted Budget totals approximately \$14 million, which reflects the higher interest rates environment.

DESCRIPTION OF EXPENSE AND REVENUE CODES



RENTS AND RECOVERIES

Definition

Rents and Recoveries are comprised of three distinct categories of revenue.

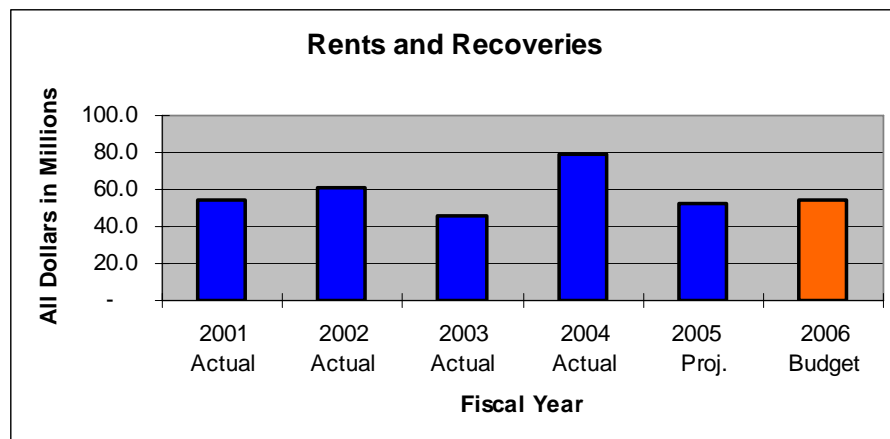
The first relates to rental income collected primarily through the Office of Real Estate Services from tenants that occupy County buildings and facilities including the site of the Nassau Veterans Memorial Coliseum and the Mitchell Field Athletic Complex.

The second category relates to recoveries generated by the reversal of prior year appropriations. Frequently, departments will enter into contractual agreements, sign purchase orders or make requisitions for services or products that ultimately do not materialize. Upon determination that these actions will not occur, expenses are reversed in the financial system and are recognized as recoveries in the current fiscal year. The most common forms of recoveries are the result of contractual disencumbrances. Another form represents State reimbursement to the County for second injury claims for employees who have received workers compensation payments for five years for prior injuries.

A third category of recovery is associated with the settlement of claims brought by the County against a defendant for damages to its properties, assets. In recent years the budget has assumed a sizeable recovery from the fund established to hold proceeds awarded to Nassau as a result of the nationwide class action lawsuit against the tobacco industry.

Historical Trends

Given that recoveries are so dependent on unplanned actions, annual receipts can vary widely. They rose from \$54.6 million in 2001 to \$60.6 million in 2002 largely as a result of increased State workers compensation recoveries. The dramatic drop to \$45.3 million in 2003 was



almost entirely attributable to the County's decision to not draw down upon its tobacco reserves that year. In 2004, the County deposited its budgeted tobacco reserve funds into a formal Tobacco Securitization Fund. Even though they were not used to fund operating budget expenses, this transaction was recorded as an expense in the County's financials.

DESCRIPTION OF EXPENSE AND REVENUE CODES



2006 Budget

The Adopted 2006 Budget assumes \$54 million, virtually unchanged from the 2005 Budget. One minor change is the County's expectation that it will receive at least \$3.4 million in retroactive payments from the State for Nassau residents who were released from State mental institutions in the 1970s and for whom Nassau was not appropriately reimbursed.

DESCRIPTION OF EXPENSE AND REVENUE CODES



REVENUE OFFSETS TO EXPENSES

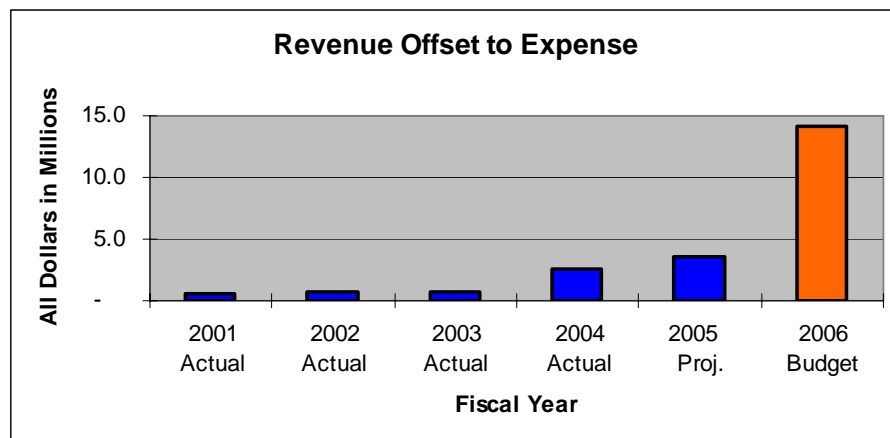
Definition

There are several places in the budget where revenues are appropriated explicitly to offset or partially offset specific expenditures. In most cases the revenue offsets come in the form of contributions from individuals or entities that receive the benefit of a particular service.

The two largest Expense Offsets in the budget are town and city reimbursement for community college students who attend out-of-county schools and payroll contributions by County employees who are enrolled in the Flexible Benefits Program.

Historical Trends

Prior to 2004, virtually of the \$600,000 of revenue in this code was generated by employees enrolled in the Flexible Benefits Program. In 2004, the County first imposed the tuition chargeback on the towns and cities whose students attend out-of-county community colleges. This explains the dramatic rise in revenue to \$2.5 million that year and the slighter projected increase to \$3.5 million in 2005.



2006 Budget

The 2006 Budget reflects a large increase in this revenue to \$14.2 million. The primary driver of the increase is that the County will be receiving \$640 in reimbursement from the State (pass-through from the federal government) for each of its retirees enrolled in the Medicare program.

DESCRIPTION OF EXPENSE AND REVENUE CODES



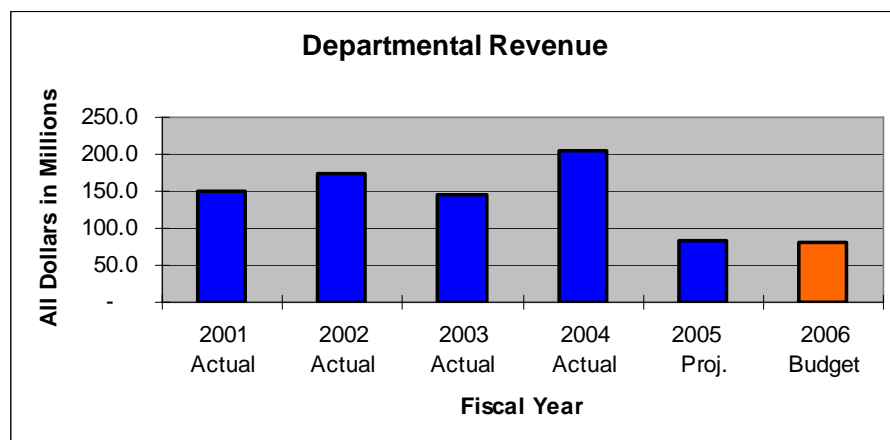
DEPARTMENTAL REVENUES

Definition

Departmental Revenues represents fees collected by the County for the use of County facilities and / or for certain services provided by various departments and County officials. While there are a number of departments that collect these revenues; the largest include the Office of the County Clerk, the Department of Parks Recreation, and Museums, the Police Department, and the Traffic and Parking Violations Agency. Examples of receipts categorized as Departmental Revenue include fees for park-related activities, registrations, licensing, data sale, permits, mortgage recording fees and ambulance fees.

Historical Trends

Departmental Revenues have decreased by \$70 million largely due to the reclassification of the Medicare Inter-Governmental Tax (IGT) to a separate revenue category. The decrease was offset by higher revenues generated by Police Department and the County Clerk.



The Office of the County Clerk and the Police Department have accounted for the \$16 million of new revenue with the Fire Commission contributing \$1.9 million in additional revenue. The Office of the County Clerk's receipts increased \$8 million from 2001 to 2005 due to significantly higher real estate transfer fees. Over the same period, higher ambulance fees collections have generated a \$10 million increase for the Police Department and the Fire Commission realized greater revenue as a result of higher compliance testing fees. Lastly, the product of the targeted fee increases for cabana rentals, golf and other park activities has netted the Department of Parks, Recreation and Museums an additional \$1.1 million from 2001 to 2005.

2006 Budget

The 2006 Adopted Budget for the Departmental Revenues is \$81.8 million, an increase of \$3.5 million verses the 2005 Adopted Budget. The Office of the County Clerk is accounting for \$2 million of new revenue from higher volume of real estate transfer fees. The Police Department is estimating a raise of approximately \$1.3 million from the collection of ambulance fees.

DESCRIPTION OF EXPENSE AND REVENUE CODES



CAPITAL BACKCHARGES

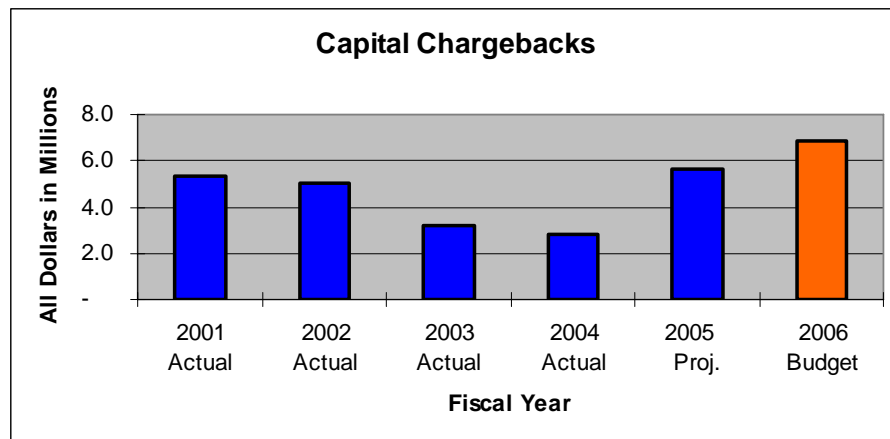
Definition

Capital projects are usually major physical improvements such as construction, renovation or acquisition of buildings, property, purchases of long-lived equipment or technology assets. By definition, most capital projects create an asset of value with a useful life beyond one year. As such, departmental direct and indirect operating costs related to capital project planning and execution are collected and charged back to the appropriate capital project in order to match the useful lives of the assets with the true costs incurred. These costs are then appropriately treated as debt service.

The primary departments involved in Capital Project Backcharges are the Department of Public Works and the Department of Information Technology.

Historical Trends

For the past several years the Department of Public Works has been the primary County Department managing and implementing capital projects. The Department typically incurs between \$4 and \$5 million for this purpose on an annual basis. However, with the reduction in capital spending in 2003 and 2004, which was implemented to ease the level of debt service the County carries, the capital project backcharges experienced a reduction of approximately \$2 million.



This trend is expected to be reversed for two reasons. First, as the County's financial recovery proceeds capital spending will be increased. In fact, due to increased capital spending being authorized for new technology needs, the Department of Information Technology will become a major manager and implement of capital projects along with the Department of Public Works. Second, the process for back charging departmental costs to capital projects is being revised to properly account for departmental administrative costs and full fringe benefit costs. This process revision will result in increased costs assigned to capital projects.

2006 Budget

The Fiscal 2006 Adopted Budget for this object code totals \$6.9 million. The Department of Public Works Fiscal 2006 Adopted Budget is \$4.6 million while the Department of Information Technology Fiscal 2006 Adopted Budget is \$2.3 million.

DESCRIPTION OF EXPENSE AND REVENUE CODES



INTERDEPARTMENTAL REVENUES

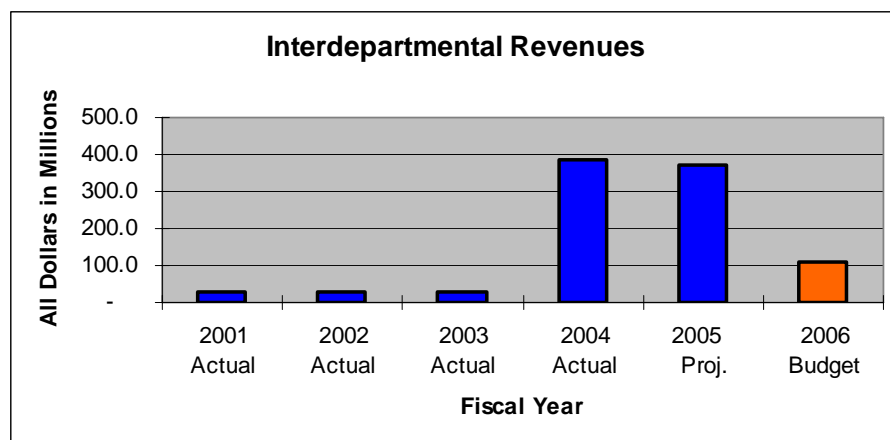
Definition

Interdepartmental revenues are credited for services performed by one County department for another County department. This service is usually performed by a centralized shared service department with specialized knowledge, expertise, experience, and capabilities. Examples of these centralized services would include information technology, public safety and security, legal, records management, purchasing, facilities management, fleet services, mail services, printing and graphic services as well as workers compensation expenses and the County's central government indirect costs as defined by the Full Cost Allocation Plan.

However, interdepartmental revenue can also be credited to departments that need to share program specific resources or capabilities to provide a constituent service or program deliverable. Examples of these program specific services would include, probation services, mental health services, drug and alcohol services, selected social services, and senior citizen services.

Historical Trends

Interdepartmental revenues experienced a large increase in expenses in 2004 due to several factors. First, the County's debt service back charge revenue (\$307 million) was classified as interdepartmental revenue while it was previously classified as interfund revenue.



Going forward in 2006, the debt service back charge revenue will be classified in a new distinct object code to simplify the monitoring of this object code. Second, the back charge revenue for central government indirect costs (\$31million) was classified as interdepartmental revenue while previously it too was classified as interfund revenue. The back charge revenue for central government indirect costs will continue to be classified as interdepartmental revenue in future years. Third and finally, since 2003 the County has significantly increased the centralized functions within the County, particularly in the areas of legal services, facilities management, fleet services, public safety services and health and human services. As centralized shared services are expanded, both interdepartmental charges and consequently interdepartmental revenues will increase.

2006 Budget

The Fiscal 2006 Adopted Budget for this object code totals \$108.1 million. In adjusted dollars (for the reclassification of debt service back charge revenue) this is an increase of \$33 million over the Fiscal

DESCRIPTION OF EXPENSE AND REVENUE CODES



2004 actual. Centralized shared services experiencing the largest percentage increases in interdepartmental revenues include information technology, facilities related services and health and human services.

It should also be noted that a budget process change for 2006 will reduce the number of departments that are assigned interdepartmental charges thus reducing the potential for a larger revenue increase in this object code. Most general fund departments will no longer participate in the process. Interdepartmental charges will only be assigned to County departments that are either a cost segment of a major County fund or routinely eligible for federal and state reimbursement of expenses. Consequently, this will limit the potential growth in interdepartmental revenues.

DESCRIPTION OF EXPENSE AND REVENUE CODES



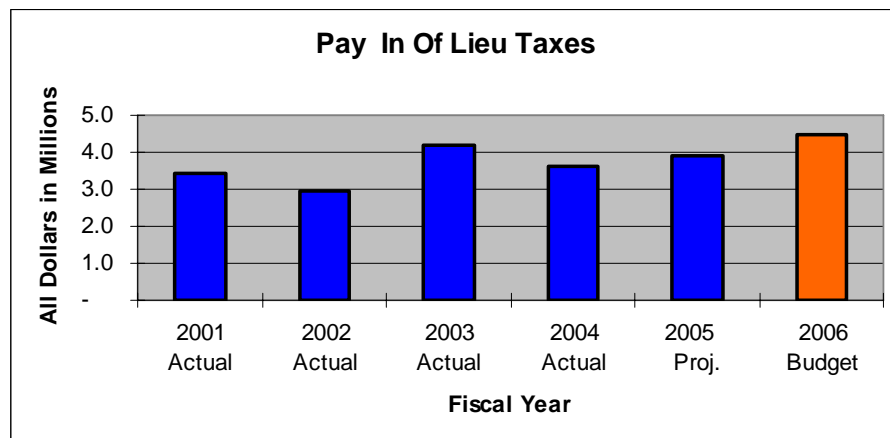
PAYMENTS IN LIEU OF TAXES

Definition

Payments in Lieu of Taxes (PILOT) are payments made to the County resulting from a contractual arrangement made between the Industrial Development Agency (IDA), the County, other municipalities, housing authorities and property developers as an inducement to spur economic growth in the County through the operation of businesses, office buildings and senior and low income housing in Nassau County. The properties are generally removed from the tax rolls, and the entities remit a contractually determined PILOT, which is usually less than the real estate taxes, which would have been due if the property was on the tax rolls. The Comptroller's Office monitors the PILOT revenue received by the County for low income and senior citizen PILOT agreements. The Assessment Department monitors PILOT revenue for agreements made by the IDA.

Historical Trends

PILOT revenue ranges between \$3 and \$4 million dollars. In the last four years, it has remained constant with the exception of 2003 when it fell below \$3 million due to late PILOT remittances to the County. New PILOTS were implemented in 2004.



2006 Budget

The Fiscal 2006 Adopted Budget for PILOT revenues totals approximately \$4.5 million. This includes an additional PILOT agreement with LIPA in the amount of \$360,000 contracted with the IDA.

DESCRIPTION OF EXPENSE AND REVENUE CODES



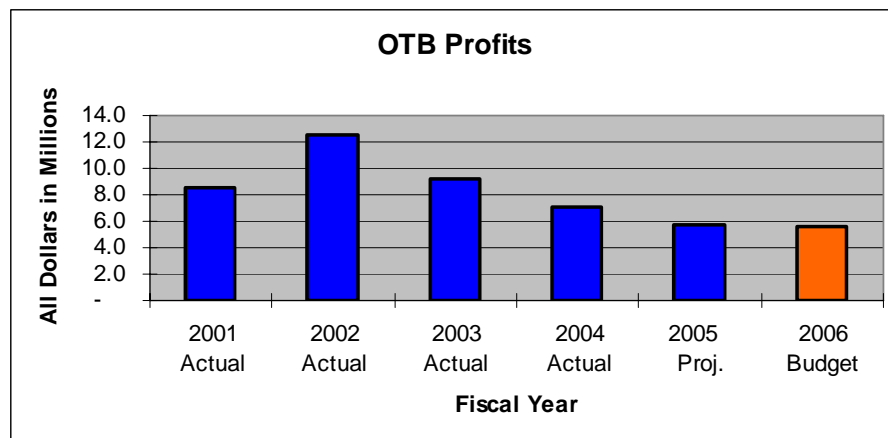
OTB PROFITS

Definition

The Nassau Regional Off Track Betting Corporation, (also known as Nassau Downs OTB), is a public benefit corporation formed on August 19, 1974 and enacted by the County on June 24, 1974 by the Board of Supervisors to participate in off-track betting. The Corporation provides off-track betting services for thoroughbred and harness racing and distributes all of the net profits generated into Nassau County's General Fund. The net profits are from the commissions and surcharges earned on pari-mutuel betting (betting where winners share the total amount wagered on thoroughbred and harness racing) less operating expenses, administrative expenses, payments to the racing industry, New York State and other local governments.

Historical Trends

The profitability of OTB has eroded due to increases in fringe benefit costs (especially health insurance and pension costs) and increases in various State mandated fees and taxes. Nassau OTB took a major step in 2004 with the opening of the Race Palace in Plainview. The Corporation achieved a



record handle of \$298 million in 2004 due in large part to the success of the opening of the Race Palace and other promotional efforts. In 2005, the NROTB refinanced its existing debt obligations with Nassau County Revenue Bonds, thereby reducing OTB debt service. Notwithstanding the success of the Race Palace, profits have declined by the offsetting negative factors mentioned above. The net profit to the County in 2001 was \$8.5 million with projected profits of \$6.5 million in 2005.

2006 Budget

The Fiscal 2006 Adopted Budget assumes profits of \$5.7 million to the County. Mandated regulatory fees imposed by the New York State Racing Association and continued increased pension and health benefits costs contribute to its continued decline.

DESCRIPTION OF EXPENSE AND REVENUE CODES



DEBT SERVICE CHARGEBACK REVENUES

Definition

The County budgets and makes all debt service interest, principal and set-aside payments out of the Debt Service Fund. These expenses are then charged to the Major Operating Funds on a project-by-project basis. Debt Service Chargeback Revenues reflect payments into the Debt Service Fund from the Police General, Recreation and Parks, Fire Prevention, Police Headquarters and Police District funds so that the County can meet its debt obligations.

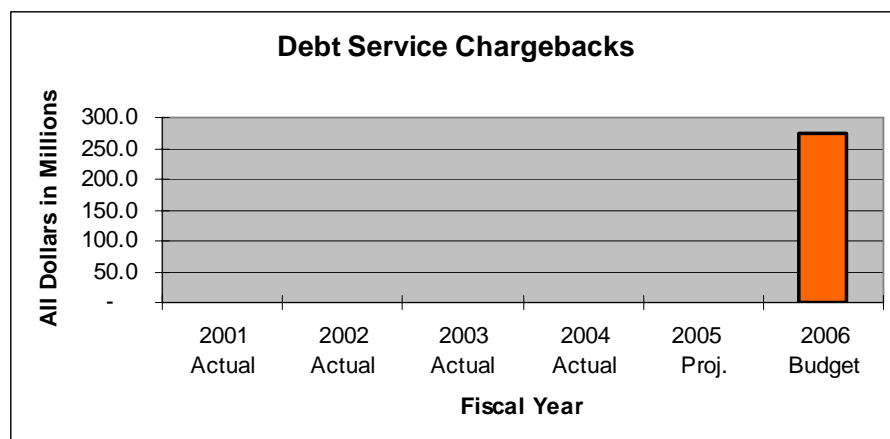
To improve fiscal reporting and distinguish debt service chargeback revenues from other unrelated chargeback revenues, this object code was first created in 2006. In prior years, it had been budgeted and recorded as part of Interdepartmental Charges revenues and/or Interfund Charges revenues.

Historical Trends

2006 will be the first year that the County utilizes this object code so there are no prior actual revenues.

2006 Budget

The 2006 Budget contains \$275.1 million chargeback revenue in the Debt Service Fund. This includes \$252.7 million from the General Fund, \$18 million from the Parks and Recreation Fund, \$3 million from the Police Headquarters Fund and less than \$1 million each from the Fire Prevention and Police District funds.



DESCRIPTION OF EXPENSE AND REVENUE CODES



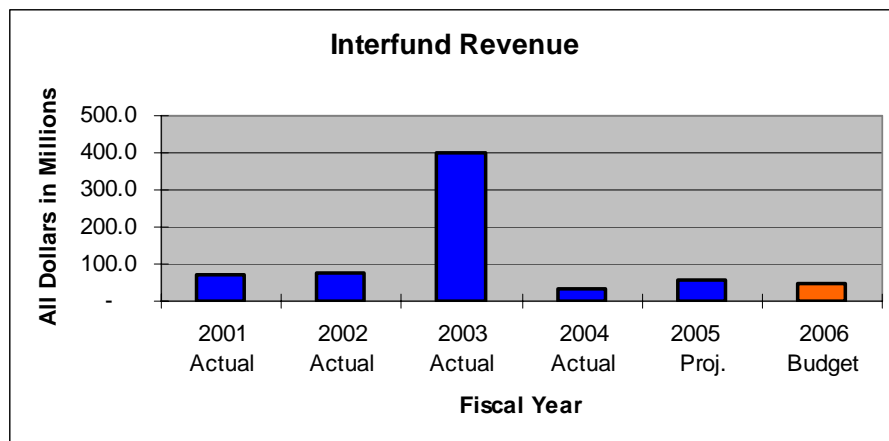
INTERFUND REVENUES

Definition

Revenues received by departments within the Major Operating Funds for services they provide on behalf of non-Major Operating Fund entities are classified as Interfund Revenues. These can include revenues for services provided to the Grant, Community College, Capital and Sewer District funds. These charges are distinct from Interdepartmental Revenues, which are limited to entities within the Major Operating Funds.

Historical Trends

Prior to 2004, the County's policy regarding booking Interdepartmental and Interfund revenues was inconsistent. In many instances they were treated as interchangeable when they really are not. Consequently, there is a huge fluctuation in recorded revenue with



actuals totaling approximately \$73 million in 2001 and 2002 and then exploding to \$398 million in the Debt Service Fund for one year only in 2003. Since 2003, the County has made a clearer distinction between these two revenue sources and a more accurate total of \$32 million was registered in 2004.

2006 Budget

The Adopted 2006 Budget contains \$48.3 million in Interfund Revenue. More than \$16 million of this amount represents revenue to offset debt service from the Sewer and Storm Water District and the Bonded Indebtedness Reserve. Approximately \$22 million reflects reimbursements from the Sewer and Storm Water District for operating expenses and another \$6.6 million includes reimbursement from Nassau Community College for utility costs.

DESCRIPTION OF EXPENSE AND REVENUE CODES



FEDERAL AID

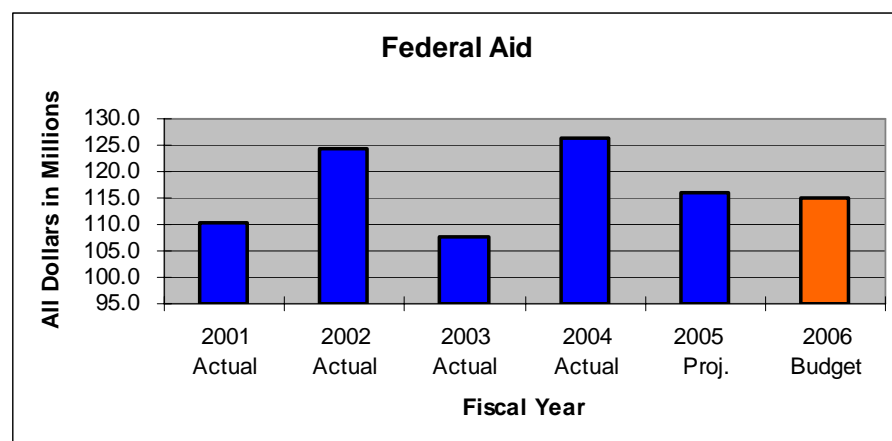
Definition

Federal aid refers to financial support extended by the federal government to local public institutions, and is considered revenue to those entities. This aid is authorized by federal legislation and provided based on specific criteria. Amounts and percentages of federal aid are based on the type of expense and the nature of the specific program for which the aid is being provided. Federal aid is capped.

Historical Trends

The County departments that have received the vast majority of federal aid since 2001 have been Social Services, Correctional Center and Senior Citizens' Affairs.

Social Services receives federal aid reimbursement for expenses such as Salary, Recipient Grants, Purchased Services and



Emergency Vendor Payments. Aid varies in a given year based on the level of each of these expenses, but also due to the inclusion of adjustments to prior year aid amounts. Timing is a significant factor in the receipt of federal aid to Social Services, as estimates are made without knowledge of such prior year adjustments or when they might be reflected. In addition, funds are allocated to counties each year, but the allocation to a given county can be changed during or even after a year has begun, so there will be no smooth pattern to a county's federal aid history.

The Department of Senior Citizen Affairs receives federal aid based on the Older Americans Act (OAA) of 1965, federal legislation, that provides funds for programs related to persons 60 years of age and older. The levels of funding for each program are determined by a mix of socio-economic and demographic factors. Services are targeted to minority, low-income and frail elderly.

The Nassau County Correctional Center receives compensation for the housing of federal inmates in their care. The level of this aid will vary with the number of inmates.

A significant reduction in aid was seen in 2003, due to the combined effects of a decreased Correctional Center inmate census, a Social Services workforce reduction and Direct Assistance Services caseload reductions.

DESCRIPTION OF EXPENSE AND REVENUE CODES



The change in federal aid as of the Third Quarter of 2005 from \$123 million to \$115.8 million is mainly due to a reduced allocation from the Federal government to all counties, in Nassau's case, \$6.4 million.

2006 Budget

Overall federal aid stands at just over \$115 million in 2006 versus \$123 million in 2005. The decrease in federal aid within the Department of Social Services is due to a reduced allocation throughout the state from the Office of Children & Family Services in the 2005-06 State Budget. This was partially offset by increases in federal aid to the Department of Senior Citizen Affairs, which reflects the federal government's acknowledgement of the rapid rise in the elderly population and their growing need for services. Older Americans Act (OAA) Title III funds nutrition programs (congregate and home delivered meals), health promotion, and transportation as well as a broad array of supportive services. The recently enacted OAA Title IIIIE New York Elder Caregiver Support Program (2001), for which the county receives Federal Aid provides assistance and respite to adults who care for elderly family members in their homes. This reduces institutional long term care costs and saves millions annually.

DESCRIPTION OF EXPENSE AND REVENUE CODES



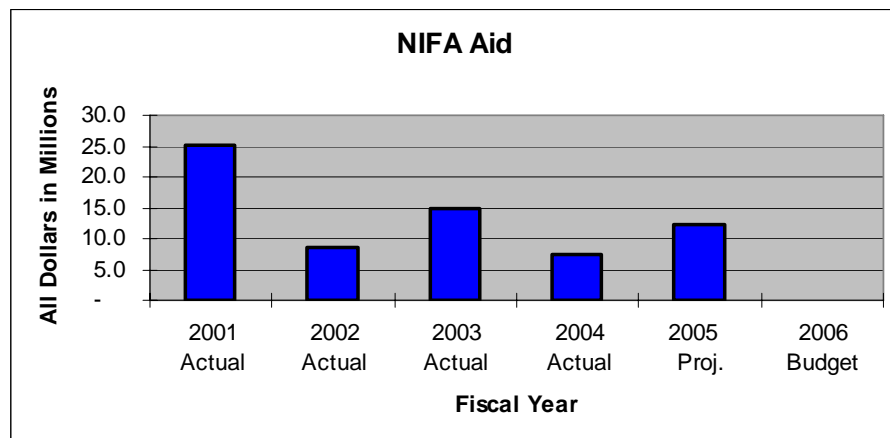
NASSAU INTERIM FINANCE AUTHORITY (NIFA) AID

Definition

The Nassau County Interim Finance Authority (NIFA) is a public benefit corporation of the State of New York created by the Nassau County Interim Finance Authority Act, Chapter 84 of the Laws of 2000, as supplemented by Chapter 179 of the Laws of 2000 and as amended from time to time (the "Act"). NIFA has certain powers under the Act to monitor and oversee the County's finances, including Covered Organizations, and upon the declaration of a "control period," additional oversight authority. In addition, NIFA is empowered to issue its bonds and notes for various County purposes, including the restructuring of a portion of the County's outstanding debt. As part of the agreement that created NIFA, the State promised to provide \$100 million in transitional aid over five years. The last \$7.5 million transitional aid was included in the 2005 Budget. The NIFA Act also provides for aid to the County to reimburse its expenses incurred in streamlining the assessment review process and eliminating the need for debt financing of refunds.

Historical Trends

The County's dramatically reduced reliance on NIFA aid from \$25.1 million in 2001 to \$7.5 million in 2004 is evidence of its successful effort toward achieving structural balance. In 2005, the County will receive the last \$7.5 million of transitional aid and \$4.8 million aid (the balance of the aid for



streamlining the assessment review process) from NIFA. The County will no longer receive any assistance from NIFA whatsoever beginning in Fiscal 2006.

2006 Budget

The Fiscal 2006 Adopted Budget does not include any assistance from NIFA.

DESCRIPTION OF EXPENSE AND REVENUE CODES



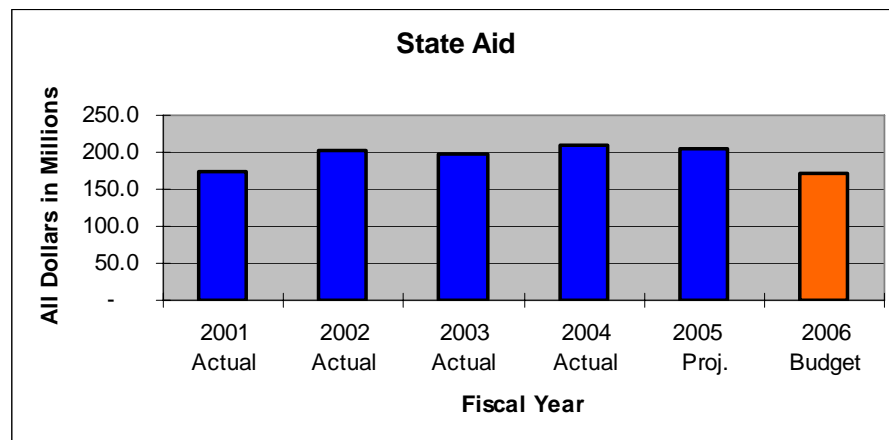
STATE AID

Definition

State Aid refers to financial support extended by the state government to local public institutions, and is considered revenue to those entities. This aid is authorized by state legislation and provided based on specific criteria. Amounts and percentages of state aid are based on the type of expense and the nature of the specific program for which the aid is being provided. In some cases, aid is received up to a capped level in a given year.

Historical Trends

The departments that receive the greatest share of state aid all fall within the Health & Human Services Vertical; specifically Social Services, Health and Mental Health. Each of these departments receives reimbursement for expenses incurred by their programs. Changes in aid are the result of changes in the expense levels of these programs and state legislation.



The Department of Health receives state aid for the Early Intervention Program and the Department of Mental Health for the Pre-School Special Education Program. Rates for services may be changed by the state on a retroactive basis, so each year's actual aid received may contain aid for services rendered in a prior year. In addition, expense components of each program are reimbursed at different levels based on the state law.

The Department of Social Services receives state aid reimbursement for expenses such as Salary, Recipient Grants, Purchased Services and Emergency Vendor Payments. Aid varies in a given year based on the level of each of these expenses, but also due to the inclusion of adjustments to prior year aid amounts. Timing is a significant factor in the receipt of state aid to Social Services, as estimates are made without knowledge of such prior year adjustments or when they might be reflected. In addition, funds are allocated to counties each year, but the allocation to a given county can be changed during or even after a year has begun, so there will be no smooth pattern to a county's State Aid history. The large jump in State Aid from \$174.8 million in 2001 to \$191.2 million in 2002 was mostly related to increased Overburden expenses within Medicaid.

DESCRIPTION OF EXPENSE AND REVENUE CODES



The Third Quarter 2005 State Aid projection is \$204.7 million versus the Budget of \$215 million. This difference is pertains to the Department of Social Services, which includes the impact of a one time accounting reduction of \$23.5 million that is related to an annual revenue accrual that will no longer be recorded as a result of the implementation of the Medicaid cap. This is offset by a \$37 million expense accrual in the Medicaid line of Social Services. Other reductions in State Aid are related to reduced expenses in various budget lines in several departments and therefore, reduced state reimbursement.

2006 Budget

State Aid in 2006 is affected most by the implementation of the Medicaid cap in the Department of Social Services. Approximately \$60 million in State Aid has been deducted from the revenue section as part of the calculation of this cap. Previously, Medicaid expense had been shown to include State Aid revenue and offsetting State Aid was shown separately on the revenue side of Social Services budget. The cap structure deducts revenues from the expense, so the corresponding revenues must be deducted as well. The Fiscal 2006 Adopted Budget of \$171.2 million includes no revenue associated with Medicaid.

DESCRIPTION OF EXPENSE AND REVENUE CODES



SALES TAX COUNTYWIDE

Definition

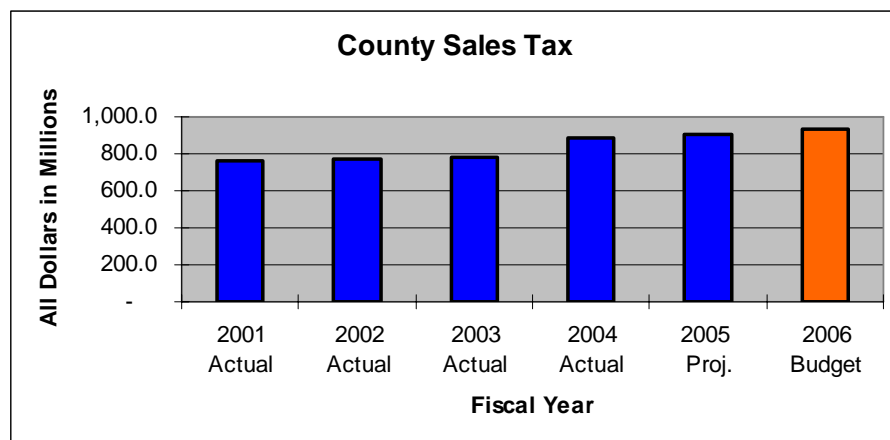
Governing bodies of cities and counties may impose sales and use taxes within their boundaries at a rate limited by state statute and set by local ordinances and resolutions to fund general county purposes.

The sales tax rate in Nassau County is 8 5/8 percent. 4 percent is retained by the State, and 3/8 percent is earmarked for the MTA. 4 1/4 percent is forwarded to the County, of which 1/4 is distributed to the local towns and cities.

In calendar year 2004, Nassau County collected over \$939.9 million gross in sales tax, accounting for over 57 percent of all general fund cash revenues. Because this revenue is a direct result from retail purchases, sales tax revenues are highly sensitive to underlying economic conditions. Generally, sales tax revenue varies more with the local economy than property tax revenue.

Historical Trends

Total sales tax revenue (including the Part County tax discussed on the following page) grew by approximately 3.5 percent, 4.1 percent and 3.0 percent in 2001, 2002 and 2003, respectively. In 2004, the County witnessed rapid sales tax revenue growth by 4.9 percent.



The 2005 Budget assumes that the County will collect \$964 million, or 2.6 percent growth. After a slow start, receipts have rebounded and OMB now projects that the County will achieve its budget target.

2006 Budget

The 2006 Budget contains slightly more than \$1 billion in total sales tax revenue. \$936.4 million, which is the portion allocable to Nassau County and \$65.4 million, which is the Part County portion of sales tax collected by restaurants and hotels in the Town of Hempstead, Town of Oyster Bay, Town of North Hempstead, City of Glen Cove and City of Long Beach. In order to achieve this target, the County will need to achieve a 2.6 percent growth rate in 2005 and 3.2 percent growth in 2006.

DESCRIPTION OF EXPENSE AND REVENUE CODES



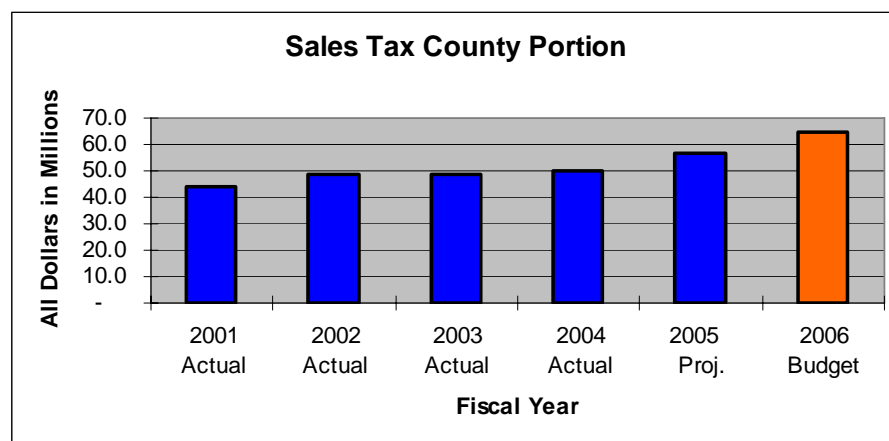
SALES TAX PART COUNTY

Definition

These taxes represent taxes collected by restaurants and hotels in the Town of Hempstead, Town of Oyster Bay, Town of North Hempstead, City of Glen Cove and City of Long Beach. In the case of the City of Long Beach, they pre-empt their share of the taxes. In the case of the other localities, their collections serve as an adjustment to their local property taxes. These collections are recorded separately as the Part County sales tax.

Historical Trends

After remaining stable at approximately \$50 million between 2002 and 2004, Part County collections are expected to rise to \$58 million in 2005.



2006 Budget

As a result of anticipated 2004 deferred sales tax collections, the 2006 Budget assumes growth to \$65.4 million, which includes approximately \$6 million of deferred sales tax.

DESCRIPTION OF EXPENSE AND REVENUE CODES



PROPERTY TAX

Definition

Real property in New York is taxed based on its value. Counties, cities, towns, villages, school districts, and special districts each raise money through the real property tax to pay for local services. The amount of a particular property's tax bill is determined by the property's taxable assessment and the tax rates of the taxing jurisdictions in which the property is located.

New York State law provides that every property in most municipalities be assessed at a uniform percentage of value. That percentage can be five percent, 10 percent, 50 percent or any other percentage not exceeding 100 percent. It does not matter what percentage is used, but that every property is assessed at the same uniform percentage within one assessing unit.

The STAR (School Tax Relief) program is a partial exemption from school property taxes for owner-occupied primary residences. STAR works by exempting the first \$30,000 of the full value of their homes from school taxes. The Enhanced STAR exemption is available for the primary residences of senior citizens (age 65 and older) with yearly household incomes not exceeding the statewide standard.

There are approximately 416,000 parcels of land in Nassau County and, to serve as the basis for property taxes, the Nassau County Department of Assessment assesses each parcel to support the County's General Fund property tax levy and the tax levies for the three towns, all but one of the 56 school districts and 225 county and town special districts. The levy of the property tax is at the sole discretion of the County, subject to constitutional and statutory limitations.

State law requires that all real property in Nassau be placed in one of the following four classes:

- Class One - one, two and three-family homes and residential condominiums of three stories or less.
- Class Two - apartments, residential cooperatives and residential condominiums of four stories or more.
- Class Three - public utility equipment.
- Class Four - all other property (principally commercial, industrial and vacant property).

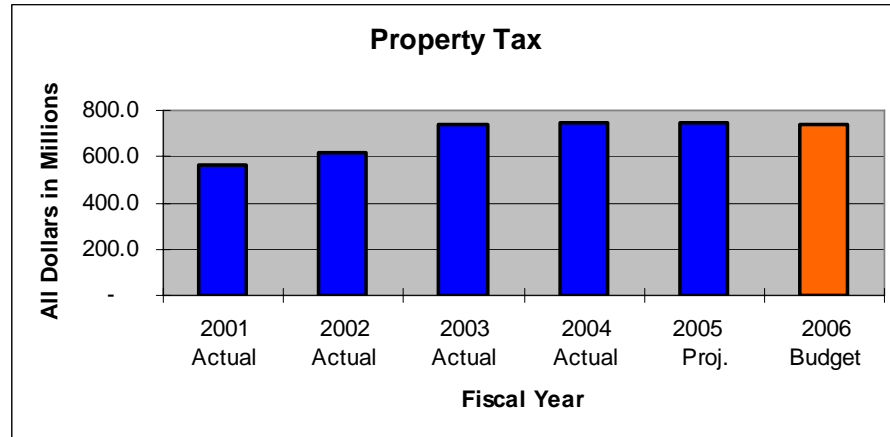
The tax is calculated by multiplying the tax rate (set by The Legislature) and the assessed value (a percentage of fair market value) which is calculated by the Assessor. The following schedule only shows the general fund portion of property tax. The remaining four funds also include a property tax levy.

DESCRIPTION OF EXPENSE AND REVENUE CODES



Historical Trends

As is clearly depicted in the chart to the rate, the County's portion of property taxes have remained unchanged since 2003 at \$738 million.



2006 Budget

Once again, the 2006 Budget proposes no increase in the total property tax levy in the Major Operating Funds.

DESCRIPTION OF EXPENSE AND REVENUE CODES



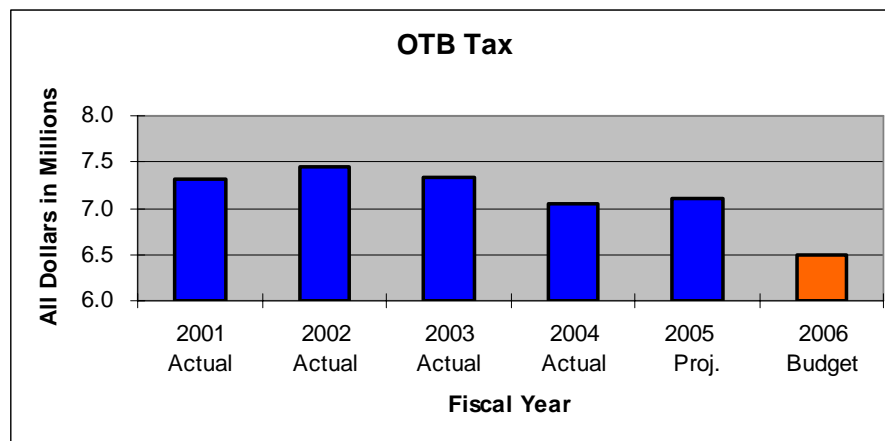
OFF TRACK BETTING (OTB) 5% TAX

Definition

There is a five percent surcharge on pari-mutuel winnings attributable to persons having placed bets at off-track betting facilities throughout New York State on races in Nassau County, except at tele-theatres facilities.

Historical Trends

The surcharge income shows a decline due to the decrease in the amount of wagering subject to the five percent surcharge.



2006 Budget

The Fiscal 2006 Adopted budget is \$6.5 million reflecting continued decrease in the amount of wagering, subject to the surcharge.

DESCRIPTION OF EXPENSE AND REVENUE CODES



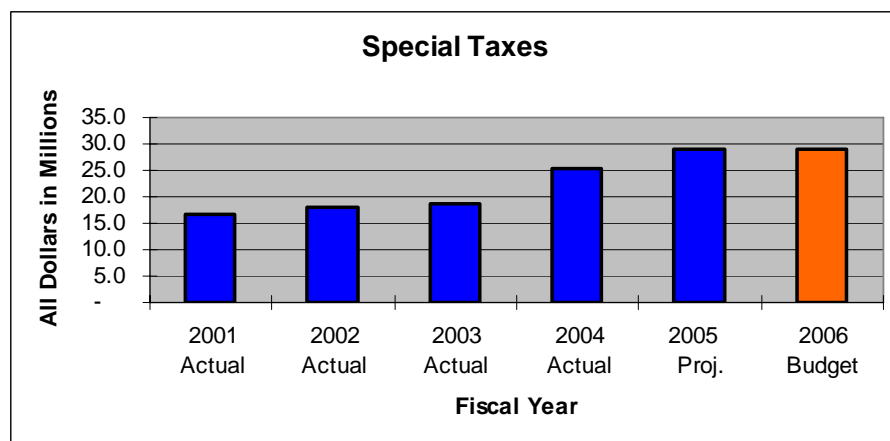
SPECIAL SURCHARGES AND TAXES

Definition

The County collects various Special Surcharges and Taxes based on usage each of which is authorized by the State Legislature. Collected by a handful of departments, the most significant are the motor vehicle registration and E911 telephone surcharges (Police Department), the hotel/motel occupancy tax (Parks Department and Office of the Treasurer) and the entertainment ticket tax (Office of the Treasurer).

Historical Trends

Revenue generated by the Police Department comprises approximately two-thirds of total Special Surcharges and Taxes. Remaining relatively constant between 2001 and 2003, receipts grew by \$6.3 million in 2004 in 2004 due almost entirely to an increase in the State motor vehicle surcharge that year. Less rapid growth of about \$1 million occurred in the E911 surcharge.



Hotel / motel occupancy and entertainment tax collections have been relatively stable at between \$5.1 million and \$6.2 million over the last four years.

2006 Budget

The 2006 budget estimates that the County will collect approximately \$29 million in special surcharges and taxes. The major contributors to this amount are consistent with prior years, with the exception of the hotel / motel tax, which is reduced by \$1.5 million.

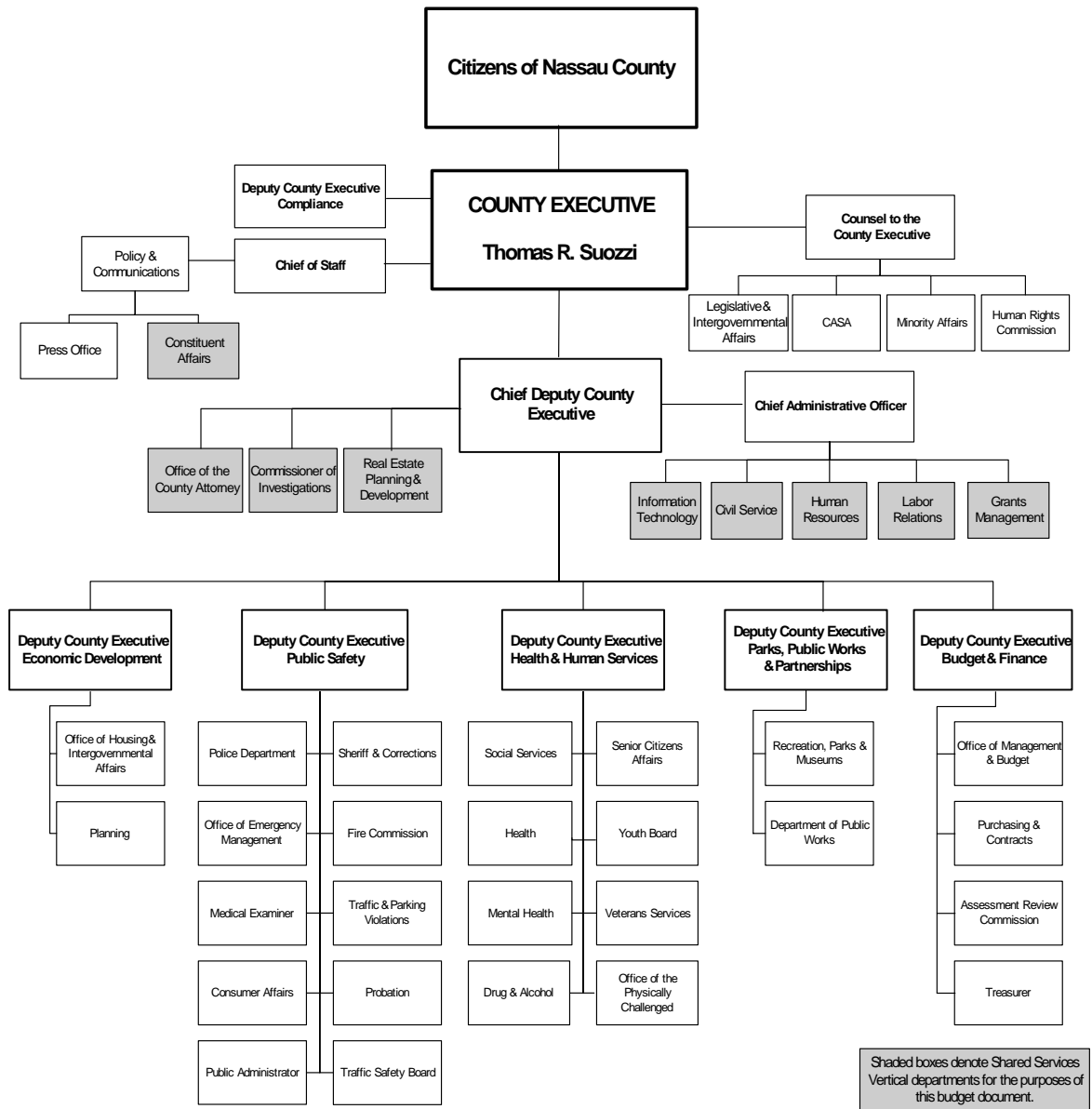
DESCRIPTION OF EXPENSE AND REVENUE CODES



DEPARTMENTAL DETAIL



NASSAU COUNTY ORGANIZATION CHART



DEPARTMENT DETAIL





DEPARTMENT DETAIL

The County Organizational structure is founded on the concept of verticals. There are six verticals, differentiated primarily by the unique public policy focus: Public Safety, Health and Human Services, Parks/Public Works and Partnerships, Shared Services, Budget and Finance, and Economic Development. A Deputy County Executive is responsible for the management of each vertical and for the development of a mission statement for the vertical and for the departments within it. The County Executive believes that the vertical organization structure is critical to developing managerial accountability and ensuring that a satisfactory level of service is provided within the context of fiscal discipline.

The performance of each vertical is measured against its record at achieving the goals and objectives established by its Deputy County Executive. Department heads meet with their Deputy County Executive on at least a weekly basis to discuss relevant issues and to consider how effectively their departments are conforming to each vertical's mission. In turn, the Deputy County Executives meet with the County Executive each week to report on vertical progress. In all cases, deputy budget directors are assigned by the Office of Management and Budget to serve as the verticals' chief financial officers.

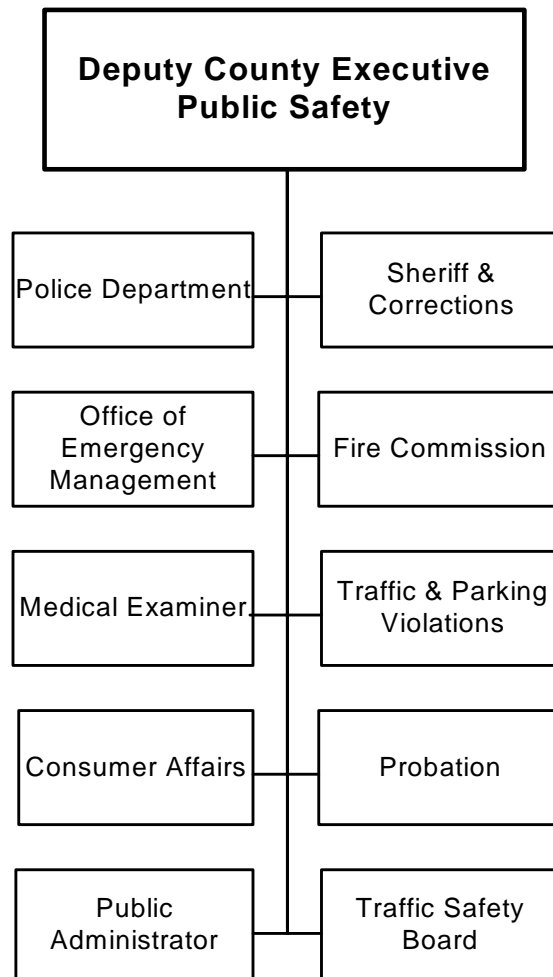
Outside of the vertical structure, yet providing an integral governmental role, are the offices of the independently elected officials. They are the offices of the County Comptroller, County Legislature, County Clerk, Assessment and District Attorney. For the purposes of this report, the Board of Elections is also treated apart from the internal vertical structure.

DEPARTMENT DETAIL



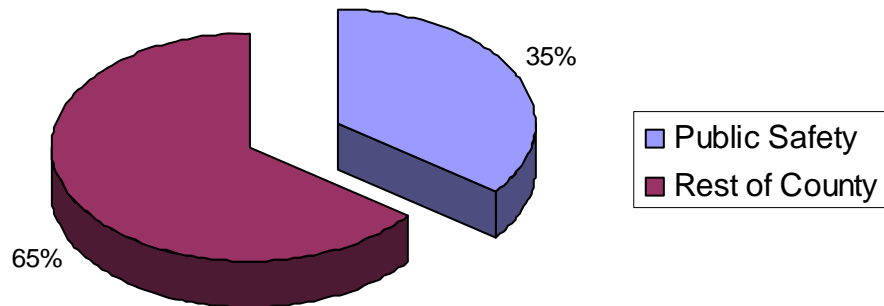


PUBLIC SAFETY VERTICAL

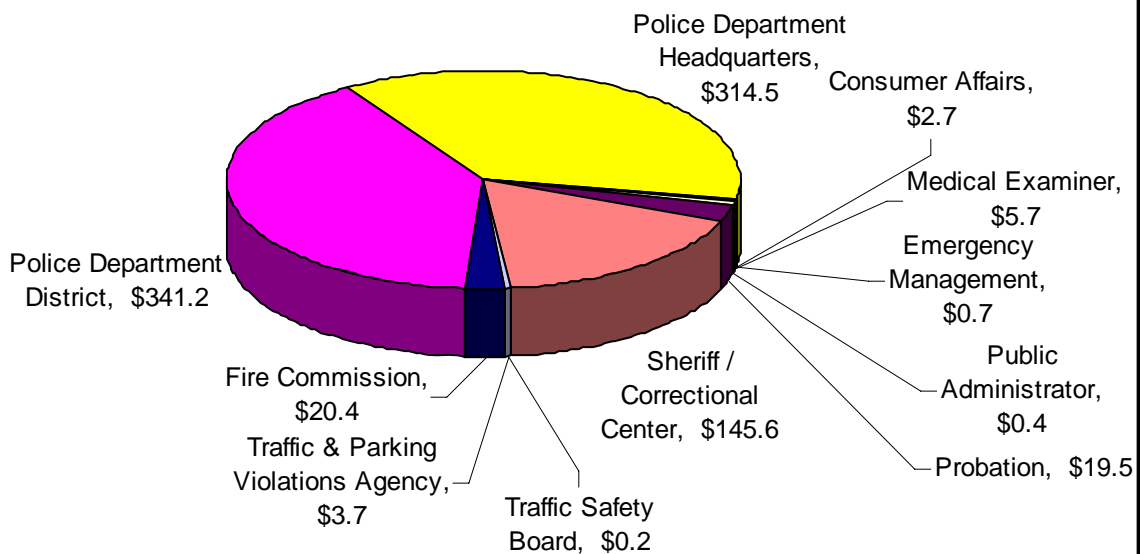




Public Safety Expenses as % of Total Expenses



Public Safety Vertical





PUBLIC SAFETY VERTICAL

GOALS

- The Public Safety Vertical intends to increase the safety of the citizens of Nassau County.
- The Public Safety Vertical strives to institute new and advanced public safety techniques and programs.
- The Public Safety Vertical seeks to increase productivity in public safety agencies through efforts to improve communication and cooperation between agencies and by evaluation of the services provided by the agencies.
- The Public Safety Vertical seeks to streamline government by reviewing public safety agencies and consolidating duplicative services.
- The Public Safety Vertical will investigate and implement new strategies to increase revenue for Nassau County.

VISION

The Public Safety vertical's vision is to protect the citizens, businesses and visitors of Nassau County and to enhance the community's quality of life through unparalleled responsiveness, proactive planning and innovative leadership.

OBJECTIVES

The primary objective of increasing safety in Nassau County for all citizens will be accomplished by the following methods:

- Continue to reduce crime in Nassau County.
- Ensure that Nassau County is prepared to respond to, and mitigate the effects of, a disaster and large-scale event.
- Provide a secure and safe correctional facility for both the staff and inmates and pursue effective alternatives to incarceration.
- Protect the citizens of Nassau County through the enforcement of laws and ordinances, including criminal and civil laws, vehicular and traffic laws, County and local consumer protection and fire safety ordinances and laws.
- Investigate unnatural deaths and identify public health threats.
- Research and institute new and advanced programs in each Public Safety agency.
- Leverage the use of new technologies to improve the performance and efficiency of each agency both independently, and on a collaborative basis.
- Capitalize on grant funding opportunities to provide new programs and services in each agency.

MISSION

The mission of the Public Safety Vertical is to provide safety and services to the people of Nassau County by effectively coordinating our delivery of services. The Public Safety Vertical is committed to improving public safety through the efficient use of resources, the strategic use of personnel and technology with sound fiscal management.



- Improve communication and cooperation between County and private agencies, thus improving service to the citizens of Nassau County.
- Evaluate, plan, consolidate and coordinate services and responsibilities of the Public Safety agencies, thus developing efficiencies by eliminating duplicative efforts resulting in improved services provided to the citizens of Nassau County.
- Identify and implement new strategies for reducing expenses and recognizing new sources of revenue in all Public Safety agencies.
- Improve policies and procedures in the Public Safety agencies with a goal of reducing the exposure of lawsuits against Nassau County.
- Improve the collection rates for billable services the County performs.



OFFICE OF CONSUMER AFFAIRS



CA - OFFICE OF CONSUMER AFFAIRS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	1,887,164	2,474,898	1,028,092	2,635,857
	BB -EQUIPMENT	51,941	10,000	3,274	19,000
	CC -MATERIALS & SUPPLIES	3,703	5,000	2,075	-
	DD -GENERAL EXPENSES	4,568	7,200	3,194	26,100
	DE -CONTRACTUAL SERVICES	-	215	-	-
	HF -INTER-DEPARTMENTAL CHARGES	400,271	612,028	-	-
Expense Total		2,347,648	3,109,341	1,036,635	2,680,957
Revenue					
	BC -PERMITS & LICENSES	2,312,687	2,922,096	2,019,315	6,200,000
	BD -FINES & FORFEITS	553,828	1,224,736	374,654	620,000
	BF -RENTS & RECOVERIES	24	-	-	-
	BH -DEPT REVENUES	25	100	345	200
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	44,651	45,000	24,850	45,900
Revenue Total		2,911,216	4,191,932	2,419,164	6,866,100

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	49	3	8
2005 Adopted Headcounts	44	3	6

PERFORMANCE INDICATORS: CONSUMER AFFAIRS

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Licensing Division			
Weights & Measures: Total # Of Inspections	13,340	13,500	13,500
Weights & Measures: Item Pricing Exemption - Total St	151	155	160
Investigations Division			
# Of Home Improvement License Applications (Issued E	3,852	5,500	4,500
Total # Of Investigations With a Violation Issued	1,652	1,593	1,593



OFFICE OF CONSUMER AFFAIRS

The Office of Consumer Affairs (OCA) provides effective and efficient consumer protection services to County and non-County residents who purchase goods and services from businesses located in Nassau County.

To meet its vision and provide consumer-based services, OCA:

- Enforces regulations, services, and mandates;
- Ensures compliance through investigations, sting operations, hearings and licensure;
- Establishes standards for safety and accuracy;
- Investigates and mitigates consumer complaints;
- Fosters fair and honest competition by identifying and neutralizing unlicensed and non-compliant enterprises;
- Addresses emerging consumer issues through proactive initiatives and community outreach;
- Acquire and leverage the use of state-of-the-art technology to enhance service delivery, agency operations and community outreach.

VISION

The Office of Consumer Affairs' vision, in partnership with the citizens and businesses of Nassau County, and federal, state, and local enforcement agencies, is to eliminate fraudulent business practices; protect the County and its citizens; strengthen the County's economic base; engender community and business trust; expand community outreach; and, enhance the quality of life of the Nassau County community

To accomplish its vision and support its mission OCA is organized into five responsibility centers:

Consumer Protection

The Commissioner's Office manages and monitors agency operations. Legal Counsel supports investigative activities, carries out criminal prosecution and gives advice and guidance to OCA staff. The County's Taxi and Limousine Commission (TLC) regulates the registration of, and hears complaints against operators of for-hire vehicles; taxicabs and limousines.

MISSION

The Office of Consumer Affairs' mission is to protect consumers and businesses from fraudulent enterprises and business practices; enhance consumer safety; strictly enforce consumer legislation; support competitive business practices; improve internal service delivery; provide consumer education and information; and, strengthen the consumer voice.

Weights and Measures

As mandated by the N.Y.S. Agriculture and Market Laws, the Weights and Measures division performs inspections, testing and sealing of all weighing and measuring devices used commercially or in public agencies to assure accuracy and full measure.



Investigations and Complaints

The Investigation and Complaints Division reviews, mediates and resolves consumer complaints by enforcing the laws regulating unfair, deceptive and unconscionable trade practices. During “tax season” the agency enforces Local Law 199-04, the County’s Refund Anticipation and Loan Disclosure Law, to insure consumers are being apprised of their rights and obligations before they enter into this type of contract. This division is also tasked with enforcing the registration of for-hire vehicles operating within Nassau County.

Licensing

This division manages and oversees the licensing of home improvement businesses, (mandated by Local Law 6-1970 and Local Law 17-1990), by reviewing applications from home improvement contractors in order to insure they’re compliant with established standards. In the event a complaint is lodged with OCA, a hearing is subsequently conducted with the business. If it is determined that a violation of the law occurred, OCA is mandated to collect fines and penalties levied against the business, and in the most egregious situations, suspend their license. The Office also collects, manages and distributes monies to consumers per the guidelines of the Home Improvement Restitution Fund. To prevent identity theft of consumers Local Law mandates that all non-bank Automatic Teller Machines (ATM’s) located within the County be registered with OCA.

Information and Education

The department issues press releases, communicates public service announcements and responds to questions from the media as they relate to preserving and promoting the interest of the consumer. As part of its mission the department develops and conducts consumer awareness programs for schools and community groups, in addition to, developing and distributing consumer education booklets and brochures. As mandated by the N.Y.S. Freedom of Information Law this Office responds to inquiries made to it regarding the historical recording of complaints leveled against a vendor.

GOALS

- The Office of Consumer Affairs will continue to operate in an efficient manner in an effort to maximize the protection and to promote the interests of Nassau County consumers.
- Strive to encourage the local businesses to maintain high standards of honesty and fair business practices.
- Utilize state of the art technology and management practices, which result in increased productivity from OCA staff members thereby providing superior services to the residents of Nassau County.
- Update OCA Administrative Codes (AC) as proposed; perform benchmarking to determine opportunities for new AC proposals.

OBJECTIVES

The Office of Consumer Affairs is committed to be on the front lines, protecting consumer rights by constantly developing new protections for emerging issues. The following guidelines assist this office in achieving its objectives;



- The office will continue to expand its role as a primary resource on consumer topics by expanding licensing requirements for various service providers and investigating issues both on a pro-active and reactive basis.
- The department will work towards developing a comprehensive, informative and interactive website which would increase productivity and would benefit both consumers and businesses both within and beyond Nassau County.
- This office will continue enforcing consumer protection laws by enhancing the current level of service to consumers and continuing to be an advocate for emerging consumer related issues.
- A continuing focus of the department's will be on the collection and disbursement of funds from the Home Improvement Restitution Fund (S21-11.16).

2006 BUDGET HIGHLIGHTS

Total operating expenses for the Office of Consumer Affairs in the Adopted Fiscal 2006 Budget are approximately \$2.7 million. Budgeted salaries and wages for 2006 are \$2.6 million and is approximately \$161,000, 6.5 percent, higher than the Adopted Fiscal 2005 Budget. The increased level of funding supports 49 full-time employees which is five staff members higher than the Adopted 2005 Budget. The additional resources in salaries and wages support the hiring of additional investigators and clerical support staff thereby enhancing and broadening the scope of protection offered to consumers within Nassau County. Other-than personal services (OTPS) expense in the budget are \$45,100 which is approximately \$22,700, 50 percent, greater than the OTPS funding in 2005. The increase in funding expands the scope of consumer investigations and "sting" operations.

Total revenue for the Office of Consumer Affairs in the budget is approximately \$6.9 million. Revenue associated with the issuance of permits and licenses is the sole driver behind the increase and this category of revenue is budgeted at \$6.2 million. Newly created initiatives such as the registration of taxis and limousines, and the registration of non-bank Automatic Teller Machines (ATM's) within the County further protect consumers against unscrupulous and illegal trade practices. Revenue from fines and forfeitures in the budget is \$620,000, which is approximately \$604,700 lower than revenue in this category in the 2005 Budget. The lower amount of revenue in this category is due to a reclassification of certain revenue streams into permits and licenses.

SHERIFF / CORRECTIONAL CENTER



CC - SHERIFF / CORRECTIONAL CENTER

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	108,980,435	114,383,323	53,558,063	119,236,678
	BB - EQUIPMENT	58,196	62,775	57,096	112,626
	CC - MATERIALS & SUPPLIES	3,600,973	4,041,258	1,813,216	-
	DD - GENERAL EXPENSES	487,478	403,209	267,140	4,323,000
	DE - CONTRACTUAL SERVICES	26,145,574	20,832,344	19,914,788	21,286,050
	DF - UTILITY COSTS	577,425	620,275	251,881	632,681
	HF - INTER-DEPARTMENTAL CHARGES	405,772	3,781,237	26,400	-
Expense Total		140,255,853	144,124,421	75,888,586	145,591,035
Revenue					
	BD - FINES & FORFEITS	68,662	50,000	26,216	55,000
	BF - RENTS & RECOVERIES	182,866	-	39,461	50,000
	BH - DEPT REVENUES	196,117	1,222,000	712,145	2,120,000
	BJ - INTERDEPT REVENUES	392,869	387,360	67,303	120,000
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	19,381,813	17,026,986	6,092,460	13,389,375
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	788,608	942,000	248,785	1,050,000
Revenue Total		21,010,936	19,628,346	7,186,370	16,784,375

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	1252	6	0
2005 Adopted Headcounts	1240	6	0

PERFORMANCE INDICATORS: CORRECTIONAL CENTER

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Correctional Center: Inmate population			
Average Monthly Number of Inmates	1,137	1,626	1,626
Correctional Center: Transportation			
Number of Inmates transported to court	23,570	23,336	23,336



SHERIFF/CORRECTIONAL CENTER

This Department continues to build on its success in its relationship with other criminal justice agencies, including the Nassau County Police Department (NCPD), the Office of the District Attorney (DA), the Department of Probation (PB), the Federal Bureau of Investigation (FBI) and the U.S. Department of Justice (DOJ). For example; the Sheriff's Department plans on enhancing an existing policy which resulted in the expeditious arrests of inmates who assaulted staff, or other inmates. This policy came to fruition after meetings between the NCPD, the office of the Nassau County DA, and the Sheriff's Department.

The Sheriff/Correctional Center has a commitment to continue its policy of fiscal accountability through the compilation, analysis and implementation of strategies that support the County's goal of productivity gains by fully utilizing resources and by countering wasteful spending. This department is encompassed by two divisions; the Office of the Sheriff and the Correctional Center.

VISION

The vision of the Sheriff/Correctional Center is to create a sense of operational accountability in the care, custody, and control of inmates through the continuous review and creation of policies and procedures designed to maintain officers safety, while at the same time, responsible for their actions, minimizing use of force and the possible, subsequent exposure of the County to law suits that can result in serious fiscal consequences for the citizens of the County.

OFFICE OF THE SHERIFF

The Enforcement Division consists of five major units:

Administration

The Administration unit enforces the mandates of the courts and supervises the operation of the County's Correctional Center. This division oversees the management of personnel and is responsible for enforcing approximately 28,000 court orders issued on an annual basis such as evictions, warrants of arrest and orders of protection.

Family Court

The Family Court unit provides for, and oversees security of, the detention areas of Family Court. This Unit also serves summonses, and arrest warrants for individuals located within both Nassau and Suffolk counties, and the five boroughs of New York City. The unit also provides transportation services for clients of other institutions such as the Department of Social Services (DSS) and the Department of Probation (PB). The Family Court Warrant Squad works collaboratively with DSS to support its Aid to Dependent Children program in apprehending parents or guardians in violation of support order decrees issued by the Family Court.

Field Division

The Field Division enforces decrees issued by the Courts, and enforces orders issued from the County Attorney's Office and the Office of Consumer Affairs.



Central Office

The Central Office is responsible for receiving and recording the mandates of the courts concerning money judgments, warrants of arrest, attachments, actions to dispossess, summonses, subpoenas, warrants of eviction, and oversees the sale of valuable personal property at public auctions.

Social Services Unit

Working in conjunction with the Department of Social Services, the Social Services Unit investigates welfare and child support fraud.

CORRECTIONAL CENTER

The Correctional Center operates pursuant to New York State Correction Law and Section # 2002 Local Law under the direction and supervision of the Nassau County Sheriff. The Correctional Center incarcerates those individuals who have been charged with crimes and civil actions in Nassau County. Inmates, male and female, await trial, serve sentences or are incarcerated until they are transferred to another facility.

Administration

Administration Services encompass both fiscal and operational management of the Correctional Center. Various units in this area include Fiscal Management, Human Resources, Training, Mail Room, Records Bureau, Policy and Procedures, Computer Operations, Communications Bureau, Inmate Accounts, Attendance Control and Public Information.

Support Services

The Support Services group assists in the operation of the facility. They are responsible for capital projects, food services, medical services, maintenance, fleet service, central supply, environmental & fire safety compliance, building and grounds, and the uniform section.

Security Services

The Security Services unit is responsible for processing new inmates and for the supervision of existing inmates in their care. This unit is responsible for the following areas of the facility; intake and discharge areas, classification of inmates, transportation of inmates, inmate housing, visitation areas, inmate counts, inmate property, and the Identification Unit.

MISSION

The Sheriff/Correctional Center's Department is divided into two distinct parts: the Corrections Division and the Enforcement Division. The mission of the Correction Division is to provide a safe and secure environment for the staff and inmates, while providing for the care, custody, and control of detainees and prisoners committed to its custody by the judiciary. In this regard, the Department is required to comply with all laws, specifically correction law, oversight agencies, specifically the New York State Commission of Correction, existing consent decrees and Court mandates. It is the mission of the Enforcement Division to carry out the orders of the New York State courts in all civil matters, including the discovery and seizure of property, the execution of warrants, and to conduct evictions.



Investigation Unit

This division is encompassed by Internal Affairs, Legal Affairs, K-9 unit, Gang Intelligence and the Criminal Investigations units.

Rehabilitation Programs

The Rehabilitation Programs include Prison Industries, Community Work Crew, High School Education Program, Inmate Council, Inmate Grievance, Inmate Library, Religious Services, Community Re-Entry Programs, Vocational Programs, Drug and Alcohol Programs, Board of Cooperative Educational Services (BOCES) Programs, and remedial reading services.

GOALS

- To create a sense of operational accountability in the care, custody, and control of inmates, through the continuous review and creation of policies and procedures designed to maintain officers' safety, while at the same time, holding the officers responsible for their actions. Minimizing the use of force and subsequently reducing the potential of lawsuits against the County which could possibly result in serious fiscal consequences for the residents of the County.
- To further develop its success in building its relationship with other criminal justice agencies, including the Nassau County Police Department, the Office of Emergency Management, the Office of the District Attorney, the Federal Bureau of Investigation and the U.S. Department of Justice.

OBJECTIVES

- To continue to expand upon an existing policy which results in the expeditious arrest of inmates who assault staff or other inmates.
- A commitment to continue this department's policy of fiscal accountability through the compilation, analysis and implementation of strategies that counter wasteful spending and supports the Administrations goal of securing productivity gains of accomplishing more while utilizing less resources.

2006 BUDGET HIGHLIGHTS

COMBINED: SHERIFFS OFFICE (CC20) / CORRECTIONAL CENTER (CC10)

The total operating expense for the Sheriff's Office / Correctional Center in the Adopted Fiscal 2006 Budget is \$145.6 million. Salary and wages in the Adopted Budget is \$119.2 million which is \$4.8 million, 4.2 percent, higher than salaries and wages budgeted in the 2005 Adopted Budget. The total other-than personal service (OTPS) expense in the Adopted budget is \$26.4 million which is \$395,000, 1.5 percent, higher than the 2005 Adopted Budget.

Total revenue for the Sheriff's Office / Correctional Center in the Adopted 2006 Budget is approximately \$16.8 million which is \$2.8 million, 14.5 percent, lower than budgeted revenue in the 2005 Adopted Budget.

**CORRECTIONAL CENTER (CC10)**

The total operating expense for the Correctional Center in the Adopted Fiscal 2006 Budget is \$140.4 million which is approximately \$1.6 million, 1.5 percent, higher than the 2005 Adopted Budget. Salaries and wages in the Adopted budget is \$114.1 million which is \$4.3 million, 3.9 percent, higher than salaries and wages budgeted in the 2005 Adopted Budget. The Adopted Budget funds salaries for 1,051 ShOA Officers, three Deputy Under-Sheriffs and 136 civilians. The Administration is currently negotiating a new labor contract with the Sheriff's Officer's Association (ShOA). The Adopted Budget contains a number of cost savings associated with a new labor agreement, which were assumed in the Multi-Year Plan, and are included in the budget. Overtime expense in the Adopted 2006 Budget is \$20 million which is approximately \$900,000, 4.3 percent, less than what was budgeted for in the 2005 Adopted Budget. Operational changes instituted within the Correctional Center indicate that on a year to date basis through October overtime hours are lower than in the corresponding period in the prior year.

Total OTPS expense for the Correctional Center in the Adopted budget is \$26.3 million. Within the Adopted Budget \$20.2 million, 77 percent, of the total OTPS expense represents the cost to provide medical care for inmates, which is provided by Nassau University Medical Center (NUMC). The medical expense to the Correctional Center is anticipated to increase by \$500,000, 2.5 percent, in 2006.

Total revenue for the Correctional Center in the Adopted 2006 Budget is \$14.8 million. Federal Aid in the 2006 Adopted Budget is \$12.7 million, 23 percent, lower than what was budgeted for in the 2005 Adopted Budget. The decrease in revenue is solely attributed to the Federal Government reducing its reliance in using the Correctional Center to house Federal inmates. Partially offsetting the decline in Federal Aid are Departmental Revenues of \$1 million which is \$778,000 higher than what was budgeted in the 2005 Adopted Budget. The increase is attributed solely to telephone concession revenue. This existing revenue stream was previously posted to the Department of Information Technology in 2005 and will now more appropriately be posted to the Correctional Center Revenue.

OFFICE OF THE SHERIFF (CC20)

Total operating expense for the Office of the Sheriff in the Adopted 2006 Budget is \$5.2 million. Salaries and wages in the Adopted budget are \$5.1 million which is approximately \$509,500, 11 percent, higher than salaries and wages budgeted in the 2005 Adopted Budget. The Adopted Budget funds salaries for 50 Deputy Sheriffs, 10 civilians, one Under-Sheriff and the Sheriff. The increase in salary and wage expense is primarily attributed to fund the hiring of 12 additional Deputy Sheriffs in Fiscal 2006. Budgeted overtime expense in the Adopted Budget is \$650,000 and this level of funding is consistent with the amount of overtime budgeted in the 2005 Adopted Budget. Total OTPS expenses in the budget are \$71,200, which is \$44,900, 59 percent, higher than budgeted OTPS funding in 2005. This increase is due to a projected increase in the cost for maintaining their offices.

Total revenue for the Office of the Sheriff in the Adopted 2006 Budget is \$2 million, which is \$220,000, 11 percent, higher than budgeted revenue in the 2005 Adopted Budget. This increase in revenue is attributed to higher Departmental Revenue and a higher level of Federal Aid.



OFFICE OF EMERGENCY MANAGEMENT



EM - EMERGENCY MANAGEMENT

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	354,104	615,316	246,020	542,905
	BB -EQUIPMENT	37,176	15,188	1,974	36,193
	CC -MATERIALS & SUPPLIES	8,452	27,340	170	-
	DD -GENERAL EXPENSES	30,210	35,440	11,284	34,350
	HF -INTER-DEPARTMENTAL CHARGES	142,822	358,177	-	107,759
Expense Total		572,763	1,051,461	259,448	721,207
Revenue					
	BF -RENTS & RECOVERIES	420	-	-	-
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	456,692	-	-	-
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	168,735	168,736	-	171,267
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	10,455	-	-	-
Revenue Total		636,302	168,736	-	171,267

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	6	0	0
2005 Adopted Headcounts	7	0	0



OFFICE OF EMERGENCY MANAGEMENT

Nassau County's Office of Emergency Management (OEM) has the statutory responsibility to coordinate all County emergency response plans. OEM's responsibilities are to identify vulnerabilities, effectively mitigate disasters, educate the public, respond to all-hazard emergency situations, protect Nassau County's first responders, ensure the continuity of government and business, and to facilitate an effective recovery for the County. As the lead agency, OEM establishes relationships with local, state, and federal agencies, in addition to private entities to assist in developing, maintaining, and implementing the Emergency Operations Plan (EOP).

VISION

The vision of Nassau County's Office of Emergency Management is to establish the highest level of emergency preparedness for all Nassau County residents and organizations, assist the County in efficiently and effectively recovering from disasters, and proactively partner with various federal, state and local agencies as well as private, non-profit and academic organizations to ensure the safety of Nassau County's citizens.

GOALS

- To provide Nassau County residents with a staff of multi-faceted professionals that are capable of responding to a wide array of scenarios related to emergency management.
- To facilitate the development of plans that address the procedures and responsibilities of all entities which participate in mitigating disasters occurring within the County.
- To modernize the information technology capabilities of the County as it relates to gathering and disseminating critical information electronically with various agencies and departments on a real time basis.
- The department simulates various types of scenarios for disaster training exercises and tracks the physical resources the departments will use to respond to the event.
- Provide the County with a higher state of "preparedness" for disastrous events. The proactive activities related to this effort will aid OEM and participating agencies / departments, both from the public and private sectors, to optimally managing these situations by being better informed with timely information about the event, more educated about the activities that will take place by first responders, and more aware of the available resources to mitigate the event.

MISSION

The mission of the Nassau County Office of Emergency Management is to maintain a high level of preparedness, protect the citizens of Nassau County; mitigate the loss of life and vital assets prior to, during, and immediately after a disaster; to facilitate the speedy recovery of Nassau County in the mid and long term intervals following a disaster.



- To provide the residents of Nassau County with a broad scope of services needed before, during, and after a disaster. This office will work with spearheading efforts with Voluntary Agencies Active in Disaster (VOAD) in applying for grants. The office also actively participates in various councils / task forces as they relate to disaster management.

OBJECTIVES

- To develop an Emergency Operations Center (EOC) where the Incident Commander, and representatives from all responding agencies / departments, are centralized to work together seamlessly in order to mitigate the effects of a disaster. OEM will play a key role in establishing this center, maintaining it and coordinating intradepartmental activities during periods of activation.
- On an annual basis participate in several emergency management disaster exercises hosted by high schools and universities in the County.
- Continuously monitor weather conditions and engage in intelligence gathering relative to threatening weather conditions.
- To enhance the communication networks between various responding agencies during a disaster.
- Coordinate numerous actives and meetings between the Red Cross and other VOAD agencies which would respond to the County's human services needs during and after a disastrous event. The result of these meetings is to develop plans and agreements which focus on mass care services, sheltering, food distribution, special needs for incapacitated people, and in addressing other related needs.
- Coordinating efforts with Federal Emergency Management Agency (FEMA) and New York State Emergency Management Agency (SEMA) and all the Counties agencies, municipalities, villages and cities in acquiring and disseminating relief funds after a disastrous event.
- Research and write grants related to state and federal funding for disaster mitigation and recovery programs.
- Prepare State mandated quarterly reports related to fiscal recovery funding.

2006 BUDGET HIGHLIGHTS

The total operating expense for the Office of Emergency Management in the Adopted Fiscal 2006 Budget is approximately \$721,200. The salary and wage expense in the Adopted Budget is approximately \$542,900 which represents 75 percent of the department's total expense budget. Salary related expense in the Adopted budget is approximately \$72,400 less than salary related expenses in the 2005 Adopted Budget. Other-than personal services (OTPS) expense in the budget is approximately \$178,300. This office is the point agency for coordinating emergency management efforts within the County and was responsible for securing \$3.7 million in federal grants in 2006. The grant funding will be redirected to both private and public entities within the County to assist these service providers in mitigating and managing the effects before and after a disaster.

FIRE COMMISSION



Total revenue for the Office of Emergency Management in the Adopted Fiscal 2006 Budget is \$171,300, which is represented solely by federal aid. The budgeted revenue in 2006 is marginally higher, 1.5 percent, than the amount of revenue budgeted for in the 2005 Adopted Budget.

FIRE COMMISSION



FIRE COMMISSION FUND

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	9,072,761	9,090,569	4,530,113	9,412,786
	AB -FRINGE BENEFITS	2,278,781	3,068,870	2,228,634	3,167,138
	BB -EQUIPMENT	336,480	152,199	34,688	140,947
	CC -MATERIALS & SUPPLIES	19,287	85,680	1,204	-
	DD -GENERAL EXPENSES	112,260	193,572	56,285	394,043
	DE -CONTRACTUAL SERVICES	4,410,983	3,979,020	3,927,429	4,237,675
	HD -DEBT SERVICE CHARGEBACKS	2,901,284	866,079	-	768,252
	HF -INTER-DEPARTMENTAL CHARGES	1,870,365	1,957,700	-	2,286,073
	LB -TRANS TO GENERAL FUND	313,814	-	-	-
Expense Total		21,316,015	19,393,689	10,778,353	20,406,914
Revenue					
	BE -INVEST INCOME	18,380	-	40,267	45,429
	BF -RENTS & RECOVERIES	193,018	-	21,898	-
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	46,720
	BH -DEPT REVENUES	3,855,639	3,850,000	2,037,253	4,237,300
	BJ -INTERDEPT REVENUES	-	-	-	107,759
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	2,250	-	-	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	138,062	100,000	87,675	120,000
	TL -PROPERTY TAX	17,781,846	15,443,689	15,443,689	15,849,706
Revenue Total		21,989,195	19,393,689	17,630,782	20,406,914

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	112	27	0
2005 Adopted Headcounts	113	26	0

PERFORMANCE INDICATORS: FIRE COMMISSION

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Tests / Inspections			
Emergency Light Tests	1,277	1,333	1,333
Automatic Extinguishing Systems Reviews	571	602	602
Plan Reviews			
Hospital Plans Developed	53	56	56
Fire Communication			
Rescue / Ambulance Dispatched	32,687	33,113	33,113



FIRE COMMISSION

The Fire Commission remains dedicated to providing the best possible service to the citizens of Nassau County. The nine divisions within Fire Commission work both independently, and collaboratively to insure the public's safety both on a proactive and reactive basis. The Fire Commission offers a wide breath of services; from educating the public on fire safety issues, to reviewing plans on fire suppression systems, to responding to incidents involving hazardous materials.

GOALS

- The Nassau County Fire Commission will continue to act as the primary liaison between the County government and the seventy-one volunteer fire departments located throughout Nassau County.
- To provide the necessary emergency response services to the citizens of the County.
- To provide the training and response services to support the volunteer fire departments and the citizens of Nassau County.

OBJECTIVES

- Per State law, the Office of the Fire Marshal will conduct annual fire inspections in various commercial and multi-dwelling residences throughout Nassau County.
- Review fire safety systems in new and existing construction plans. Witness system tests to ensure that all phases comply with the requirements of this office and other applicable fire safety codes.
- Investigate the origin and cause of fires when requested by the local fire departments or other agencies. In cases of suspected arson, investigations are conducted jointly with the Nassau County Police Arson/Bomb Squad to apprehend those individuals responsible for the crime.
- Respond to hazardous material incidents, mitigate those situations and render the location safe.
- Provide fire safety lectures to the citizens of the County through programs developed by this office.
- The Nassau County Fire Communications Center will provide emergency service dispatching for the various fire departments and ambulance corps located throughout the County.

VISION

It is the Fire Commission's vision that through our efforts in aggressive inspection programs, through fire investigations and a dedication to public fire safety education that Nassau County will be a safe place to live work and visit. It is also our hope that with a thoroughly trained and state of the art fully equipped hazardous materials response team and a knowledgeable and dedicated Emergency Medical Academy staff the Nassau County Fire Service will be able to perform their duties in a safe and professional manner.



- The Fire/Police Emergency Medical Service (EMS) Academy trains and educates fire, police and EMS providers within Nassau County. The Academy offers educational services by conducting various EMS training classes, which it also offers to the general public – the Academy charges the public a fee for these lessons.
- As mandated by local laws, the Fire Commission will collect the appropriate fees for the services they provide to the public.

Bureau of Fire Inspections

The Bureau of Fire Investigations remains dedicated to providing the best possible service to the seventy-one fire departments serving all of the communities within the County of Nassau. The collaboration between the Nassau County Police Department with the Bureau of Fire Investigation in investigating undetermined, suspicious, and incendiary fires remains undaunted in providing the residents of Nassau County with the best possible expertise and response available.

In order to refresh and maintain the technical skills of this division's personnel, the Fire Marshal's Office, the Police Department Arson/Bomb Squad, the Fire Service Academy continues their commitment to provide the necessary training in Arson Detection and Awareness. Fire Investigators respond to fire scenes to conduct on site physical examinations and assisted in the processing of evidence.

Industrial Division

The Industrial Division is responsible for inspecting all industrial occupancies within the County of Nassau. These occupancies include, flammable and combustible liquid storage facilities, oxidizer storage and distributing locations, liquefied petroleum gas (LPG) and compressed natural gas (CNG) facilities, storage and manufacturing facilities, application of flammable finish facilities, compressed gas storage, waste treatment plants, marinas and repair shops. Industrial Division staff members enforce both State and local vehicular and traffic laws, in addition to, Federal hazardous material regulations by performing inspections on vehicles transporting hazardous materials. Staff from this division tests and certifies as competent individuals who handle or sell liquefied propane gas or oxidizers, install or test flammable and combustible liquid storage equipment, install or maintain automatic extinguishing systems, along with those who remove underground tanks.

The Division is also responsible for the review and approval of system plans for; fire alarms, fire and smoke detection systems, sprinkler systems, stand pipes, application of flammable finish facilities, automatic extinguishing systems, flammable/combustible liquid storage, flammable gas facilities, fire pumps and emergency generators. Acceptance tests and site inspections are performed to ensure code compliance and the operational capabilities of the systems reviewed. The Inspectors tasked to the Industrial Division are trained and certified as Hazardous Material Technicians, Emergency Medical Technicians, Confined Space Entry and Rescue personnel, Building Code Enforcement Officers and are recognized as Peace Officers by New York State.

Hazardous Materials Division

The primary mission of the Fire Marshal Hazardous Materials Emergency Response Division (Haz-Mat) is to support the seventy-one fire departments in Nassau County. The division is tasked with providing the County with a Haz-Mat response team 24 hours a day seven days a week. This is accomplished through the benefit of Fire Commission's specialized training, experience and equipment. The department also renders direct assistance to the village police departments, the Nassau County Health Department, the general public, as well as neighboring jurisdictions. Assistance is also



provided to the New York State Department of Environmental Conservation as their “delegated agents” in Nassau County. This Division also assists the General Division with after-hours public safety enforcement and works with the Fire Investigations Division at fire scene investigations.

General Division

The General Division performs a variety of compliance testing for the citizens of Nassau County. This division reviews and processes new and revised plans and certificates of fitness for automatic fire extinguishing systems, hoods and ducts, sprinklers and standpipe systems, fire alarm and detection systems for all fire safety equipment. The General Division is also charged with inspecting all places of public assembly, such as restaurants, theaters, places of worship (those without schools or daycare centers), recreational and amusement facilities, businesses and mercantile establishments. The Division also is mandated to inspect all types of multiple residential dwellings, except those that are part of a college or university.

Institutional Division

The Institutional Division has the responsibility to inspect and to promote overall fire safety in all hospitals, nursing homes, health-related and correctional facilities within the County of Nassau. In addition, there are several ambulatory care and surgical facilities, centers for the developmentally disabled and a myriad of adult home, group family home and adult foster home facilities that are subject to inspection on a special basis as-needed basis as determined by the Nassau County Department of Social Services (DSS).

Educational & Special Facilities

This division is responsible for all fire safety inspections in educational facilities, child care centers, camps, all county owned or operated facilities, and vigorously investigates all complaints voiced by the public. The division is also responsible for inspecting all Keyspan / Long Island Power Authority (LIPA) sites where services are being upgraded or new services are being provided. The scope of these inspections includes both gas and electric installations.

The division performs annual structural safety inspections in the various public school buildings throughout Nassau, as mandated by the State Commissioner of Education’s regulations. Members of this division respond to emergencies when requested by the local fire departments in order to render technical assistance.

Permits Division

The Permits Division is responsible for issuing over 100,000 fire alarm and tent permits issued to both the businesses and citizens of Nassau County. Verifying accurate information to assure proper fire department response to automatic alarms is one of the division’s primary tasks. Staff from this division is actively participating in amending local codes to insure they conform with State fire safety ordinances as they relate to false alarms. False alarms from automatic alarm systems continue to be an issue for the fire departments in Nassau County. The effect of these cause unnecessary expense for taxpayers, and ultimately can have adverse effects on the volunteer firefighters who serve the citizens of Nassau County.

Bureau of Fire and Rescue Services

This division provides specific location related information, via the internet, to Nassau County Fire Departments. The information populates dispatch screens at the local fire stations and enables them access to supplementary information specific to the address of the incident. Information such as owner



and key holder data, occupancy data, exposures, resources, and building pre-fire plans which provides fire departments with the information to best access the needs of the situation and to enhance fire fighter safety.

Fire – Police Emergency Medical Services Academy

The Nassau County Fire-Police EMS Academy (FPA) is a full-service emergency training facility which has the responsibility to meet the instructional needs of all Nassau County pre-hospital EMS providers. The FPA has the distinction of being the only facility training all Nassau EMS pre-hospital providers from all affiliations. The Academy instructs members of the following organizations; all Nassau County Fire Departments, all police departments located within Nassau County, volunteer ambulance corps, Court Officers, Correction Officers, the Nassau County Fire Marshals staff, personnel from the Federal government, staff from the New York State Parks department and local government agencies. The Academy also administrates and processes all New York State paperwork and receives all course funding for the EMS courses run at the Nassau County Police Academy – this facility operates on a full 16 hour work day schedule.

2006 BUDGET HIGHLIGHTS

The total operating expenses for the Fire Commission in the Adopted Fiscal 2006 Budget is \$20.4 million, which includes \$3.2 million for fringe benefits and is 3.4 percent, higher than the Adopted 2005 Budget. Budgeted salary and wages for the Adopted budget is \$9.4 million, 55 percent, of the Fiscal 2006 expenses. The budget funds 112 full-time employees and 27 part-time staff members. Other-than personal service (OTPS) expenses in the budget are \$7.8 million. Approximately \$4 million of the OTPS expense represents contractual payments to support the Vocational Education and Extension Board (VEEB) - the contractual value of the contract in the Adopted budget is \$250,000 greater than the amount allocated to support VEEB in the 2005 Adopted Budget. The additional funding insures that both paid and volunteer fire protection and emergency service personnel are enabled to have the most up to date emergency training.

Total revenue for the Fire Commission in the Adopted Fiscal 2006 Budget is \$20.4 million. Over 78 percent of the total revenue stream accruing to this department is in the form of a property tax levy. In addition, over 20 percent of the department's total revenue is generated from performing various mandatory safety and compliance tests. Departmental revenue in the budget is \$4.2 million, which is \$387,300, 9.1 percent, higher than what was budgeted for in 2005. The other two revenue streams are state aid and investment income, which are budgeted to be \$120,000 and \$45,429, respectively. The combined increase in revenues from these two sources is approximately \$65,400, which is 65 percent higher than what was budgeted in 2005.



OFFICE OF THE MEDICAL EXAMINER



ME - MEDICAL EXAMINER

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	4,403,929	4,681,478	2,399,334	5,018,165
	BB -EQUIPMENT	37,794	50,625	1,134	51,000
	CC -MATERIALS & SUPPLIES	206,745	283,500	92,891	-
	DD -GENERAL EXPENSES	37,139	72,900	31,534	457,070
	DE -CONTRACTUAL SERVICES	354,528	205,000	183,964	206,682
	HF -INTER-DEPARTMENTAL CHARGES	114,096	1,046,012	-	-
Expense Total		5,154,232	6,339,515	2,708,857	5,732,917
Revenue					
	BF -RENTS & RECOVERIES	6,373	-	570	-
	BH -DEPT REVENUES	13,674	36,000	10,011	20,000
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	1,658,960	1,495,908	510,541	1,525,826
Revenue Total		1,679,008	1,531,908	521,121	1,545,826

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	55	5	0
2005 Adopted Headcounts	50	4	0

PERFORMANCE INDICATORS: OFFICE OF THE MEDICAL EXAMINER

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Medical Examiner Cases			
# Of Cases Reported to ME Office and Investigated By M	4,990	5,000	5,000
# Of Cases Accepted and Certified By ME Office	1,345	1,340	1,340
DNA Laboratory			
Total # Of DNA Cases Received	484	372	500
Average # Of Days To Complete Forensic DNA Cases	42	89	60



OFFICE OF THE MEDICAL EXAMINER

The responsibilities of the Medical Examiner include performing autopsies and investigating the circumstances of death in any case where a person dies from criminal violence, from neglect, abuse, or while incarcerated. Additional departmental involvement includes situations where the deceased died suddenly, was in apparent good health or was unattended by a physician when the individual expired. This includes deaths by occupational hazards or exposure to toxic materials. The responsibilities are managed by the dedicated staff of the following two divisions; the Forensic Medicine group and the Laboratories group.

VISION

The Medical Examiner Office vision is to provide quality, cost effective service to the citizens of Nassau County and enjoy the respect of the forensic and scientific communities.

Forensic Medicine

The personnel of this group are charged with investigating all deaths considered questionable and they work in conjunction with other law enforcement agencies. When recommended by the Medical Examiner, this unit performs autopsies and the personnel may be called upon to testify in court on subject matter.

Laboratories

The personnel from this unit perform both qualitative and quantitative chemical analysis of tissues, fluids and other case evidence. They prepare tissue specimens for various microscopic techniques and document their findings in reports.

GOALS

As first responders it is the Medical Examiners duty, and responsibility, to be prepared and trained to respond appropriately in mitigating the effects of natural disasters, acts of terrorism and from the effects of weapons of mass destruction. The department continually educates its staff by utilizing Federal grant funding to train the departmental personnel.

MISSION

The Medical Examiner is responsible for investigating the death of any person who dies in Nassau County as a result of: criminal violence or criminal neglect, casualty, poisoning, suicide, suddenly or unexpectedly, unattended by a physician, in jail/correctional facility/in custody, suspicious/unusual manner, related to a diagnostic or therapeutic procedure, threat to public health, or when application is made pursuant to law for a permit to cremate the deceased.

OBJECTIVES

- Prepare for and pass the National Association of Medical Examiners (NAME) inspection for accreditation.
- Restore the fellowship program for accreditation by the American College of Graduate Medical Education (ACGME).
- To be fully trained, educated, equipped and prepared to respond to disasters and events involving weapons of mass destruction.



- To complete the training of personnel in computer applications and to upgrade and enhance the existing computer system which will coordinate all computer activities in the M.E. Office.

2006 BUDGET HIGHLIGHTS

The total operating expense in the budget is \$5.7 million. Salary and wage expenses in the budget is \$5 million, which is \$336,687, 7.2 percent, higher than for salary and wages budgeted in 2005. The budget funds 55 full-time employees, which is five additional staff members than budgeted in 2005. The new positions represent support staff and line employees within the various laboratories. Other-than personal services (OTPS) funding in the budget is approximately \$714,800, which is \$102,700, 17 percent, greater than the 2005 Budget. Recent price increases in service contracts have marginally driven up the department's contractual costs for laboratory fees charged by outside service providers, software maintenance costs and increased costs to maintain equipment in the Toxicology and DNA laboratories. The Office of the Medical Examiner works in close collaboration with both the Nassau County Police Department and the District Attorney's Office in investigating and prosecuting those responsible for crimes committed with the County.

Total revenue for the Office of the Medical Examiner in the 2006 Budget is \$1.5 million, which is marginally higher, \$13,918, than the revenues in the Fiscal 2005 Budget. Over 98 percent of the revenue accruing to this department is from the reimbursement of expenses in the form of state aid. Departmental revenue received from the public for various services provided is anticipated to be \$20,000, which is \$16,000, 80 percent, lower than what was budgeted in 2005.





PA - PUBLIC ADMINISTRATOR

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	396,583	412,364	183,939	419,757
	BB -EQUIPMENT	107	2,531	2,341	2,552
	CC -MATERIALS & SUPPLIES	1,147	2,531	2,431	-
	DD -GENERAL EXPENSES	1,750	3,038	2,250	6,203
	DE -CONTRACTUAL SERVICES	10,028	7,175	-	7,234
	HF -INTER-DEPARTMENTAL CHARGES	31,844	70,453	-	-
Expense Total		441,460	498,092	190,961	435,746
Revenue					
	BH -DEPT REVENUES	235,163	285,000	227,853	327,854
Revenue Total		235,163	285,000	227,853	327,854

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	7	0	0
2005 Adopted Headcounts	7	0	0



PUBLIC ADMINISTRATOR

The Office of the Public Administrator is entrusted with the management and disposition of property on behalf of Nassau County residents who die in testate or whose wills name persons who are either unqualified or unwilling to assume responsibilities as executors of that will. This office is responsible for managing all aspects of collecting and distributing estate assets.

VISION

The vision of the Office of the Public Administrator is to professionally, expeditiously and equitably settle matters for those estates who are referred to this office.

GOALS

- To increase efficiency in providing the County with revenue from Estate commissions.
- To increase efficiency in providing reimbursement to the Department of Social Service (DSS).

MISSION

The Office of the Public Administrator acts under and with the authorization of the New York State Surrogate's Court Procedure Act (SCPA), Article 12, and Sections 1201-1219. The office is entrusted with the management and disposition of property on behalf of Nassau County residents who die in testate or whose wills name persons who are either unqualified or unwilling to assume responsibilities as executors for the will.

OBJECTIVES

- Efficiently manage resources which results in the settlement of estates in a timely and efficient manner.

2006 BUDGET HIGHLIGHTS

The total operating expense for the Office of the Public Administrator in the budget is approximately \$435,700. Salary and wage expenses represents approximately \$419,800, 96 percent, of the department's total operating expenses, which funds seven full-time employees. Salary and wages in the budget is approximately \$7,400 higher than the 2005 Budget and this is attributed to a change in the compensation associated with a change in the Civil Service title for one position. Other-than personal services (OTPS) expense in the budget is approximately \$16,000, which is \$700, 4.5 percent, higher than the OTPS expenses budgeted in the 2005 Budget.

Total departmental revenue for the Office of the Public Administrator in the budget is approximately \$327,900, which is \$42,900, 15 percent, higher than the \$285,000 budgeted in 2005. The increase in revenue is due to trends with a larger number of estates settled being settled in a timely basis.

PROBATION DEPARTMENT



PB - PROBATION

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	16,410,865	18,268,500	9,283,505	19,172,704
	AB -FRINGE BENEFITS	(67)	-	-	-
	BB -EQUIPMENT	66,817	24,908	(1,149)	24,500
	CC -MATERIALS & SUPPLIES	(25)	-	-	-
	DD -GENERAL EXPENSES	366,028	198,498	69,087	182,463
	DE -CONTRACTUAL SERVICES	32,050	101,250	8,435	102,081
	HF -INTER-DEPARTMENTAL CHARGES	324,011	1,892,632	50	-
Expense Total		17,199,679	20,485,788	9,359,928	19,481,748
Revenue					
	BF -RENTS & RECOVERIES	63,333	-	7,100	-
	BH -DEPT REVENUES	1,659,519	1,400,000	758,213	1,500,000
	BJ -INTERDEPT REVENUES	1,186,249	835,375	-	3,000,000
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	2,187,310	4,036,658	1,341,648	3,575,992
Revenue Total		5,096,410	6,272,033	2,106,961	8,075,992

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	261	13	0
2005 Adopted Headcounts	244	13	0

PERFORMANCE INDICATORS: PROBATION

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Family Division			
# Of Regular Supervision Cases (Monthly Average)	523	579	579
Juvenile Intake: # Of Cases Assigned	2,376	2,138	2,138
Criminal Division			
Pre-trial Cases Interviewed	n/a	3,235	3,235
Investigations Assigned	4,722	5,236	5,236



PROBATION DEPARTMENT

The dedicated men and women of the Probation Department, acting in collaboration with other criminal justice agencies in the community, protect the community by intervening in the lives of offenders, holding them accountable, and serving as a catalyst for positive change. The Department provides information and services to the courts, offers crime victims a voice in the judicial system and assists in strengthening families. Probation is a mandated service authorized and defined primarily in the NYS Executive Law, The NYS Criminal Procedure Law, The NYS Penal Law, The NYS Family Court Act, The NYS Domestic Relations Law and the Rules and Regulations of The NYS Division of Probation and Correctional Alternatives.

The Department has two primary divisions, the Criminal and Family division; both are supported by an Administrative / Financial Unit. Both divisions are responsible for performing State and court mandated investigations, perform court ordered supervision and prepare the required evaluation reports. The Administrative unit is charged with the overall administration of the department and is additionally charged with collecting mandated restitution for crime victims.

Investigative Reporting

The Probation department prepares comprehensive evaluations of a defendant, which include the psychological, social, and legal facets surrounding each case. These reports recommend sentencing alternatives prior to a Judge passing sentence. These evaluations are also used by correctional centers and for parole classification. Pre-Sentence Investigations (PSI) are prepared for the criminal courts, and Investigations and Reports (I & R) are prepared for the Family Court System.

Probation Supervision

Supervision is the most common sanction imposed by the judicial system. It is the most cost-effective alternative to incarceration available. Probation costs can range from \$3 to \$20 per day, compared to over \$200 per day in the Nassau County Correctional Center and up to \$100,000 per year for a child placed in a residential treatment center. Defendants and Respondents sentenced to a term of probation are required, under the supervision of the Probation Officer, to comply with the conditions set forth by the court. If stipulated the individual must pay restitution to their victims, undergo treatment for addiction or emotional problems, be confined to their residence and supervised by electronic surveillance, or perform community service.

Probation Officers, who are classified as peace officers by New York State, are charged with enforcing the conditions of parole in order to protect the community by arresting and returning violators to court.

VISION

The vision of the Probation Department is to serve their clients with dignity, respect and professionalism while protecting the citizens of Nassau County. The Department strives to make Nassau County a safer community while spending less on incarceration as a result of more effective use of community-based supervision.

MISSION

The mission of the Probation Department is to ensure protection of the community through monitoring, controlling and rehabilitating the offender.



These arrest and other enforcement tasks are performed by the Department's specialized Warrant Squad. Probationers who are supervised by the Department are assigned to officers on a geographic basis and are further categorized by a computerized risk assessment model as to the risk they pose of further committing crimes and violations of Probation. Other probationers are supervised in specialized units such as the Sex Offender Unit, The Intensive Supervision Unit, Gang Unit and the Recidivist Alcohol Probation Project (RAPP / DWI Unit.). Low risk probationers are supervised through electronic voice recognition technology in the Electronically Assisted Reporting System (EARS) Unit. Other technological tools are leveraged to assist in supervising probationers, such as electronic home monitoring and Global Positioning Satellite (GPS) monitoring. Juvenile probationers in the Family Division are similarly supervised in regular and Intensive Supervision units.

Intake Services

These services are rendered in the Family Division where the department is mandated by New York State to divert cases through conciliation, counseling, and referral without a petitioner going directly to court. The Probation Department, in conjunction with the Department of Social Services (DSS), is an active participant in the Preventive Services Program which involves extended intake diversion services through the Persons in Need of Supervision (PINS) Placement Prevention Project. The salary and wage expense associated with staff members supporting this program is funded 100 percent by DSS through an Inter-Departmental Services agreement (ISA).

Pre- Trial Services

These services occur in the District Court where Probation Officers evaluate defendants at their arraignment to assist the Court in determining whether they are low risk defendants who can be released on low or no bail status. This unit also provides supervision and monitoring of released defendants to help assure their future appearance in court. Electronic voice recognition is also utilized to further monitor pre-trial defendants. A recent increase in grant funding has enabled the Department to assist in lowering the percentage of pre-trial detainees held in the Nassau County Correctional Center. This program is the key feature of the County's Alternative to Incarceration Service Plan which allows the Correctional Center to operate at a more cost efficient classification level as permitted by the Corrections Law and the NYS Commission of Corrections.

GOALS

Protection of the community by rehabilitating offenders by:

- Develop a dedicated Gang Unit.
- Implementing the Gang Workshops program.
- Initiate a dedicated Electronics Unit to monitor probationers who are sentenced to Electronic Home Detention and those who have Ignition Interlock systems installed in their vehicle.
- Expand the services of the Employment Unit.
- Develop a program to assist probationers in achieving their GED diplomas.
- Enhance the Probation department's presence in the community.

Improve Probation Officer safety

- Distribute body armor to all field personnel.



- Instruct field personnel in defensive tactics.

Decrease County expenditures and increase County revenue

- Increase the number of prisoners released to the Pre-Trial Unit.
- Further pursue delinquent fines owed to the County.
- Pursue additional funding sources to further the Departments mission.
- Increase the use of Electronic Monitoring in the Pre-Trial phase.

Further improve the departmental morale

- Implement a departmental dress code which includes a uniform option.
- Implement a 207-C policy.
- Increase staff involvement in the decision making process.

Streamline operational processes, reduce duplication of effort and increase productivity

- Implementing a fully integrated Probation specific case management system.
- Improve report writing skills.
- Complete an electronic version of a departmental manual.

2006 BUDGET HIGHLIGHTS

The total operating expense for the Probation Department in the budget is \$19.5 million. Salary and wage expenses in the budget is approximately \$19.2 million and is \$904,200, 5 percent, higher than the budgeted amount in 2005. In response to recently enacted mandates set forth by New York State, the Probation Department, in collaboration with the Department of Social Services (DSS), is providing enhanced services to Persons in Need of Supervision (PINS). The enhanced services provided to DSS clients necessitates the need for the Probation Department to hire additional staff to comply with these mandates. All salary related expenses associated with this program are being funded by the Department of Social Services through an Inter-Departmental Agreement (ISA) with the Probation Department. The budget funds 261 full-time employees, which represents an increase of 17 employees over the 2005 Budget. The increase in salary related expense in the 2006 Budget is primarily attributed to the anticipated hiring of additional Probation Officer Trainees. Other-than personal services (OTPS) expense in the budget is approximately \$309,000.

Total revenue for the Probation Department in the budget is \$8.1 million, which is approximately \$1.8 million higher than the departmental revenue in the 2005 Budget. State aid represents approximately \$3.6 million, 44 percent, of the departmental revenue in the budget and this is approximately \$460,700, 11 percent, lower than state aid in the 2005 Budget. Lower state aid reimbursements in the budget are primarily attributed to a shifting of personnel to the PINS program, which is being funded by DSS. The shifting of personnel results in a diminished amount of salaries and wages which are eligible to be reimbursed by New York State. Over 37 percent, \$3 million, of new revenue accruing to the department is attributed to the ISA with DSS to reimburse the Probation Department for salary related costs associated with the PINS program. Due to current trends, departmental revenue in the budget is anticipated to be \$1.5 million, \$100,000, 6.7 percent, higher than the 2005 budget. The increase in

PROBATION DEPARTMENT



revenue is attributable to the department enhancing its efforts in collecting various fees from probationers.

POLICE DEPARTMENT



POLICE DISTRICT FUND

E/R Expense	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
	AA -SALARIES, WAGES & FEES	188,469,072	203,638,864	91,147,634	223,671,506
	AB -FRINGE BENEFITS	53,586,710	84,907,496	66,402,534	85,784,188
	BB -EQUIPMENT	3,960,455	875,000	256,226	1,386,280
	CC -MATERIALS & SUPPLIES	2,893,440	2,683,468	1,131,654	-
	DD -GENERAL EXPENSES	2,389,660	1,064,588	369,129	3,678,802
	DE -CONTRACTUAL SERVICES	755,234	800,000	195,226	806,563
	DF -UTILITY COSTS	987,944	985,275	588,587	1,605,845
	HD -DEBT SERVICE CHARGEBACKS	950,042	845,394	-	745,754
	HF -INTER-DEPARTMENTAL CHARGES	20,544,813	19,390,267	-	23,110,686
	OO-OTHER	399,331	2,900,000	139,404	450,000
Expense Total		274,936,702	318,090,352	160,230,392	341,239,624
Revenue					
	AA -FUND BALANCE	4,869,568	2,500,000	-	-
	BC -PERMITS & LICENSES	1,939,706	1,800,000	533,888	1,680,000
	BD -FINES & FORFEITS	200,166	200,000	51,906	100,000
	BE -INVEST INCOME	71,393	65,134	112,745	112,754
	BF -RENTS & RECOVERIES	870,702	150,000	51,089	150,000
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	1,468,160
	BH -DEPT REVENUES	3,109,789	3,167,011	2,795,830	3,165,800
	BJ -INTERDEPT REVENUES	480,837	901,426	-	935,835
	NA -NIFA AID	7,500,000	-	-	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	-	-	102,253	-
	TL -PROPERTY TAX	301,296,571	309,306,781	309,306,781	333,627,075
Revenue Total		320,338,731	318,090,352	312,954,494	341,239,624

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	1863	460	0
2005 Adopted Headcounts	1697	459	0

PERFORMANCE INDICATORS: POLICE DEPARTMENT

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Commissioner of Police: Community Affairs			
# Of Presentations / Community Meetings	123	272	272
Detective Division			
Clearance Rate for Homicides	92% *	95%	95%
Patrol Division			
Total # Of Ambulance Runs	55,288	55,466	56,000
Field Services			
# Of DWI arrests	3,192	3,351	3,485
Communication Bureau			
Total # Of 911 Calls Received	911,924	874,154	874,154

POLICE DEPARTMENT



POLICE HEADQUARTERS FUND

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	158,604,604	181,157,692	85,019,983	200,140,238
	AB -FRINGE BENEFITS	52,340,107	83,208,069	56,523,521	77,680,690
	BB -EQUIPMENT	713,466	2,700,000	2,273,746	535,256
	CC -MATERIALS & SUPPLIES	1,316,178	1,428,101	967,585	-
	DD -GENERAL EXPENSES	2,612,258	1,610,576	522,782	3,013,500
	DE -CONTRACTUAL SERVICES	6,725,774	6,374,120	2,340,101	7,010,987
	DF -UTILITY COSTS	-	-	149,115	2,100,000
	HD -DEBT SERVICE CHARGEBACKS	5,979,427	5,217,906	-	3,134,003
	HF -INTER-DEPARTMENTAL CHARGES	18,567,906	19,123,076	3,598	20,607,886
	LB -TRANS TO GENERAL FUND	1,471,484	-	-	-
	OO-OTHER	159,879	410,000	194,993	250,000
Expense Total		248,491,082	301,229,540	147,995,424	314,472,560
Revenue					
	BC -PERMITS & LICENSES	265,550	325,000	121,425	800,000
	BD -FINES & FORFEITS	10,650	-	-	-
	BE -INVEST INCOME	101,139	86,258	124,226	121,053
	BF -RENTS & RECOVERIES	1,152,921	200,000	105,612	200,000
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	2,072,960
	BH -DEPT REVENUES	14,252,569	13,679,000	6,813,004	14,879,000
	BJ -INTERDEPT REVENUES	6,312,045	10,664,812	50,596	13,977,076
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	439,876	-	-	-
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	416,665	334,000	99,445	330,000
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	1,030,853	589,435	312,973	589,000
	TL -PROPERTY TAX	239,070,905	252,897,540	252,897,540	258,049,976
	TX -SPECIAL TAXES- SPECIAL TAXES	19,420,943	22,453,495	10,337,589	23,453,495
Revenue Total		282,474,116	301,229,540	270,862,410	314,472,560

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	1744	42	0
2005 Adopted Headcounts	1780	56	15



POLICE DEPARTMENT

The Nassau County Police Department provides uniformed patrol police services to approximately 85 percent of the geographical area of the County which is located within the eight police precincts. The remaining areas of the County are policed by village and city police departments. In addition, the Department provides investigative services and certain specialized police services to all municipalities within the County in support of the local police departments. These specialized services include Police Training, Applicant Investigations, Emergency Ambulance, Highway Patrol, Emergency Service, Special Operations, and Crisis Negotiation.

The Nassau County Police Department is funded through two separate and distinct budgets. The Police Headquarters Fund supports investigations and specialized services for all localities in Nassau County and this is financed by all County taxpayers. The Police District Fund supports the uniform patrol force for those citizens residing within the eight precincts.

The Department is managed and administered by the Commissioner of Police who is appointed by the County Executive. The Commissioner is supported by an executive staff consisting of Deputy Commissioner's, a Chief of Department, and Division Chiefs. To effectively administer the Department, the Commissioner also utilizes administrative units which include the Legal Bureau, and the Management and Planning Bureau.

Operationally, the Department consists of three Divisions each with functional and specific responsibilities. The Patrol Division primarily provides uniform police services through the eight precincts, Highway Patrol, Marine/Aviation Bureau, and the Mounted Unit. The Patrol Division also includes the Emergency Ambulance Bureau and the Bureau of Special Operations.

The Detective Division investigates reported crimes, collects and analyzes forensic evidence, arrests offenders, and participates in criminal prosecutions.

VISION

In our vision for the future of the Department, we strive to maintain and enhance the confidence and trust of the people we serve, continually strengthen and extend partnerships between the police and the communities we serve, maximize community participation in identifying problems, developing solutions, establishing relevant Department priorities and policies, effectively resolve problems of the communities we serve while protecting life and property, maintain and enhance the Departments tradition of excellence in police service to the community, recognize the need for change aimed at developing innovative, effective and cost efficient methods to deliver police services and resolve problems, seek community feedback and input on the quality and effectiveness of police services, continually pursue excellence, involve all members at all levels in identifying problems, have dedicated, well trained, well equipped and well led members achieving excellent results through excellence in policing, providing professional development for each member of the Department and attain mutual respect for all Department members.



The Support Division provides a wide range of services vital to the Departments' infrastructure and functionality. These include training, information technology, communications, arrest processing, records management, fleet maintenance and building maintenance.

GOALS

The goals of the Department include protecting life and property, preventing crime, arresting offenders, maintaining public order, and utilizing community based problem solving to improve the quality of life for all the County's citizens.

OBJECTIVES

- Insure that adequate personnel and equipment are available to accomplish the Department's mission.
- Enhance staffing through civilianization and redeployment.
- Monitor and reduce non-mandated overtime.

MISSION

The mission of the Nassau County Police Department is to serve and protect the people of Nassau County, and to provide safety and improved quality of life in our communities through excellence in policing.

2006 BUDGET HIGHLIGHTS

POLICE DEPARTMENT DISTRICT (PDD)

The total departmental expense for the Police Department District (PDD) in the budget is \$341.2 million, which is \$23.1 million, 7.3 percent, higher than the 2005 Budget – this includes approximately \$85.8 million for fringe benefit expense. Salary and wage expenses is \$223.7 million in the budget and is \$20 million, 9.8 percent, greater than the budgeted funding in 2005 – salary and wages represent approximately 88 percent of the total departmental operating budget. The salary and wage expenses contained in the budget represents funding for 1,745 sworn officers in PDD, which is a six percent increase in staffing and represents an additional 100 officers over the number of officers funded in the 2005 Budget. The budget also includes funding for 118 civilian full time employees, which is two more than the number funded in the 2005 Budget. The 2006 Budget funds 460 part-time employees of which 457 of the positions are for school crossing guards. Overtime expense in the budget is \$27 million, which is \$7 million, 35 percent, higher than the 2005 Budget. Overtime expenses represents 12 percent of the total salary and wage expenses in the budget. Termination pay is budgeted at \$10.2 million and represents five percent of the total salary and wages in the budget.

PDD other-than personal services (OTPS) is budgeted at \$7.9 million, which is \$1.4 million lower than what was budgeted in 2005. After excluding a special one-time allocation of \$2 million for special policing initiatives in the 2005 budget, the 2006 OTPS budget is actually \$1.5 million, 24 percent, higher than the 2005 OTPS budget. The increase in funding is primarily targeted towards the purchase of patrol cars in the District.



POLICE DEPARTMENT HEADQUARTERS (PDH)

The total departmental expenses for the Police Department Headquarters (PDH) in the budget is \$314.5 million, which is \$13.4 million, 4.4 percent, higher than the 2005 Budget - this includes approximately \$77.7 million for fringe benefit expense. Salary and wage expenses is \$200.1 million in the budget and is \$19 million, 10.5 percent greater than the budgeted funding in 2005 – salary and wages represent 85 percent of the department's total operating budget. The salary and wage expenses for the budget represents funding for 1,005 sworn officers and 739 civilian full time employees. The 2006 Budget also supports the hiring of additional Police Service Aides, Communication Operators, and Ambulance Medical Technicians. Overtime expense in the budget is \$20.4 million, which is \$4.4 million, 27.7 percent, higher than the 2005 Budget. Overtime expense represents 10 percent of the total salary and wage expense in the budget. Termination pay is budgeted at \$13.1 million and represents seven percent of the total salary and wages in the budget.

PDH other-than personal services (OTPS) is budgeted at \$12.9 million, which is approximately \$387,000, 3 percent, higher than the 2005 Budget. Funding for the purchase of \$2.2 million in police vehicles was originally included in PDH's 2006 budget target; however, it was subsequently removed from the budget. The resources to fund \$2.2 million in vehicles will be made available to PDH in 2005 - the current fiscal year. Beginning in 2006, PDH will be absorbing telecommunications expenses which were previously expensed from the Information Technology budget. Excluding both the purchase of vehicles and telecommunication expenses from both the Adopted 2005 and 2006 budgets indicate that the true increase in the 2006 OTPS budget is \$986,000. The budget also contains a one-time appropriation of \$250,000 to engage an outside criminal justice consultant to conduct a comprehensive Police Staffing Study. The scope of the review will be the Nassau County Police Department and it will focus on the department's deployment practices, policies, and needs. The study will recommend a police staffing level that provides the high level of public safety County residents have come to expect in the most efficient and cost-effective manner possible.

Total PDH departmental revenues in the 2006 Budget are \$312.4 million, which is \$11.2 million, 4 percent, higher than the 2005 Budget. The primary source of revenue funding PDH is derived from the levying of property taxes, which are \$258 million in the 2006 Budget and is \$5.2 million, 2 percent, higher than the 2005 Budget. The other three revenue streams accruing to PDH are departmental revenues, state aid, federal aid, and special taxes. The budget identifies three sources which will generate enhanced revenue in 2006. The primary increase is in non-tax sources, specifically in department revenues and permits and licenses. Due to continuing trends, ambulance billing is expected to have higher revenue due to a larger number of clients receiving service, and the secondary revenue stream is from an increase in the number pistol permit renewals, which is due to the cyclical nature of permit renewals. The tertiary source of revenue enhancement is in special taxes, specifically due to an increase in the number of cell phones being used and the State passing the E911 surcharge to the police department.

TRAFFIC SAFETY BOARD



TS - TRAFFIC SAFETY BOARD

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	203,049	216,192	101,548	190,776
	CC -MATERIALS & SUPPLIES	-	250	-	-
	DD -GENERAL EXPENSES	50	350	75	600
	HF -INTER-DEPARTMENTAL CHARGES	28,278	88,317	-	-
Expense Total		231,377	305,109	101,623	191,376
Revenue					
	BD -FINES & FORFEITS	-	-	20,980	-
	BH -DEPT REVENUES	183,000	160,000	40,749	175,000
Revenue Total		183,000	160,000	61,729	175,000

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	2	0	0
2005 Adopted Headcounts	3	0	0



TRAFFIC SAFETY BOARD

The Traffic Safety Board is composed of volunteers representing relevant county agencies, local governments (town, cities, and villages) and representatives of the corporate community; affiliate traffic associations and civic groups. An Executive Secretary serves as the Administrative Director of the Office of the Board. The Board is responsible for securing federal and state grants that channel funds to Traffic Safety and STOP-DWI, and in pursuing grants to fund specific safety measures. The STOP-DWI program has been successful in lowering the number of alcohol related fatalities and injuries in the County. Fines from Driving While Intoxicated (DWI) convictions fund the cost of law enforcement, prosecution, probation, rehabilitation, public education and program administration. In addition, the Traffic Safety Board promotes all federally fundable traffic safety areas; occupant restraints and child safety seats; bicycle and pedestrian safety; aggressive driving enforcement; and alcohol enforcement and education.

VISION

It is the Traffic Safety Board's vision to improve the safety and quality of life for all Nassau County residents by continuing their efforts to work with not for profit agencies, other municipalities and our corporate partners to reduce fatalities and injuries caused by motor vehicle crashes.

GOALS

- Identify and prioritize dangerous trends among roadway users in order to develop more effective strategic countermeasures.
- Improve the collection and assembly of countywide motor vehicle data for statistical analysis, evaluation and public education.
- Improve the delivery of services to our partners; county agencies, other municipalities, and all agencies with which the county contracts to provide grant funded traffic safety resources.
- Continue to support interdepartmental cooperation in all traffic safety efforts.

MISSION

The mission of the Nassau County Traffic Safety Board is to improve street and highway safety for all users of Nassau County's roadways: motorists, passengers, motorcyclists, bicyclists and pedestrians. The Board is committed to reducing vehicular injuries and fatalities; reducing alcohol and drug impaired injuries and fatalities; and reducing the emotional and fiscal costs resulting from traffic crashes.

OBJECTIVES

- Increase DWI arrests by five percent in fiscal year 2006.
- Seek a second year of grant funding for the TraCS (Traffic and Criminal Software) Electronic Ticket and Accident Reporting system in the amount of \$500,000. This will provide computers, printers and scanners for an additional fifty police patrol vehicles.



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- Pursue grant funding for a pedestrian safety project that strives to improve the collection of data on pedestrian injuries and fatalities countywide. The project has numerous facets which includes the mapping of crash data and causation factors.

2006 BUDGET HIGHLIGHTS

The total operating expense for the Traffic Safety Board in the budget is \$191,376. Salary and wage related expenses in the budget are \$190,776 and represent over 99 percent of the department's total budget. Salaries and wages in the budget funds two full-time employees, which is a decrease in one employee from the 2005 Budget. Employees of this department were responsible for securing approximately \$2 million in 2006 New York State grant funds to promote various safe driving initiatives throughout Nassau County.

Total revenue for the Traffic Safety Board in the budget is \$175,000, which is \$15,000, 8.6 percent, higher than the 2005 Budget. The primary source of revenue to this department is for reimbursable expenses received from various government grants.



TRAFFIC AND PARKING VIOLATIONS



TV - TRAFFIC & PARKING VIOLATIONS AGENCY

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	1,869,549	1,792,290	1,030,819	2,446,215
	BB -EQUIPMENT	16,713	25,313	13,315	25,520
	DD -GENERAL EXPENSES	99,478	79,481	61,116	154,010
	DE -CONTRACTUAL SERVICES	702,968	886,759	649,373	1,035,495
	HF -INTER-DEPARTMENTAL CHARGES	127,345	862,741	-	-
Expense Total		2,816,052	3,646,584	1,754,623	3,661,240
Revenue					
	BD -FINES & FORFEITS	11,158,613	12,900,000	6,490,777	19,200,000
	BF -RENTS & RECOVERIES	720,431	-	-	1,300,000
Revenue Total		11,879,044	12,900,000	6,490,777	20,500,000

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	45	16	0
2005 Adopted Headcounts	35	14	0



TRAFFIC AND PARKING VIOLATIONS AGENCY (TPVA)

The Traffic and Parking Violations Agency (TPVA) was established in 1990 by the Board of Supervisors in order to assist District Court in administering the disposition of traffic and parking tickets for violations issued within Nassau County - due to fiscal constraints the Agency opened its doors in 1995. The Agency is currently responsible for pursuing the collection of unpaid traffic and parking tickets for most traffic and parking violations issued within Nassau County. The Agency utilizes both in-house and outside collection efforts to achieve their stated mission. The Agency also files default judgments, with the County Clerks office, against those individuals who are considered to be scofflaws. It is the Agencies responsibility to inform New York State Department of Motor Vehicles (NYSDMV) when individuals do not answer their violations and the State then proceeds to suspend the individual's license.

VISION

The vision of the Nassau County Traffic and Parking Violations Agency is to strive to be a pace setter in providing optimum customer service and enhancing public safety. Technological enhancements and initiatives are a priority for the Agency.

The Traffic and Parking Violations Agency and its staff understand the value of providing courtesy and service for the public good.

GOALS

The Traffic and Violations Agency strives to collect past and present fines and fees in an aggressive manner. Conferences and trials are scheduled and held in a timely manner and customer amenities such as online payment, pay over the phone via credit card, and extended hours of operation for weekday evenings and Saturdays are offered to the public.

OBJECTIVES

- Online payments for violations will be extended to certain traffic violations.
- Expand the Default Judgment process to traffic violations and continue to increase the number of Judgments issued against persistent violators.
- Advocate for the passage of an amendment to the State default judgment statute, which will allow TPVA to file judgments within a five year term after the violation is issued versus the current two year term.
- Continue sending scofflaw information to the New York State Department of Motor Vehicles and increase efforts to suspend the licenses of those who possess traffic violations that have not been adjudicated.

MISSION

The Nassau County Traffic and Parking Violations Agency's mission is to enhance public safety through the timely adjudication of parking and traffic summonses and to expeditiously collect the requisite fines and penalties.



- Offer a conference to individuals in six months and a trial date within nine months for those individuals who want a Judicial Hearing Officer to hear their case.
- Offer dispositions of violations thru the mail and over the internet.

2006 BUDGET HIGHLIGHTS

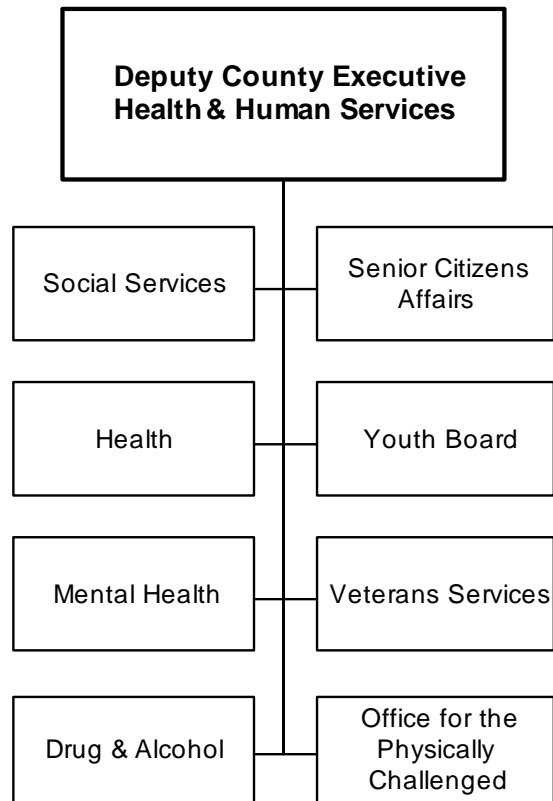
Total operating expense for the Traffic and Parking Violation Agency in the budget is \$3.7 million. Salary and wages represent 67 percent of the total departmental expenses funding 45 full-time employees, which is 10 more employees than was funded in the 2005 Budget. Eight of the newly funded positions in the budget are for Judicial Hearing officers which are classified by the Civil Service Commission (CSC) as full-time employees, even though in actuality the positions are part-time in nature. Due to the current classification structure, the actual full-time employee count is overstated by eight positions, and the part-time employee count is understated by the same amount. Classification of this title is being reviewed by the CSC.

Salary related expenses in the budget is \$2.4 million, which is approximately \$653,000, 27 percent, higher than the 2005 Budget. This increase is primarily attributed to the costs associated with hiring additional prosecutors and clerical support staff. Other-than personal service (OTPS) expenses in the budget are \$1.2 million. Contractual services are marginally higher, \$146,000, over the 2005 Budget. Due to a dramatic increase in the number of tickets adjudicated volume driven, variable expenses have also risen. These expenses are primarily made to private vendors for their collection efforts, and for credit card transaction fees.

Total revenue for the Traffic and Parking Violation Agency in the 2006 Budget is \$20.5 million. The Agency's latest 2005 revenue projection is \$17.6 million, which is \$4.7 million, 36.4 percent, greater than the 2005 Budget revenue of \$12.9 million. There are numerous drivers behind this increase, which includes the Agency leveraging technology to gain operational efficiencies, timely adjudicating violations, requesting default judgments against habitual scofflaws in a timely fashion, offering customers conveniences such as additional hours of operation, accepting credit card payments via the Agency website, and by utilizing private vendors to collect bad "debt."

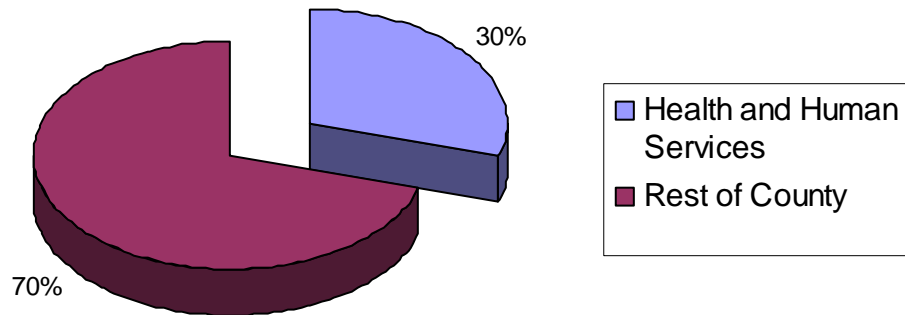


HEALTH & HUMAN SERVICES VERTICAL

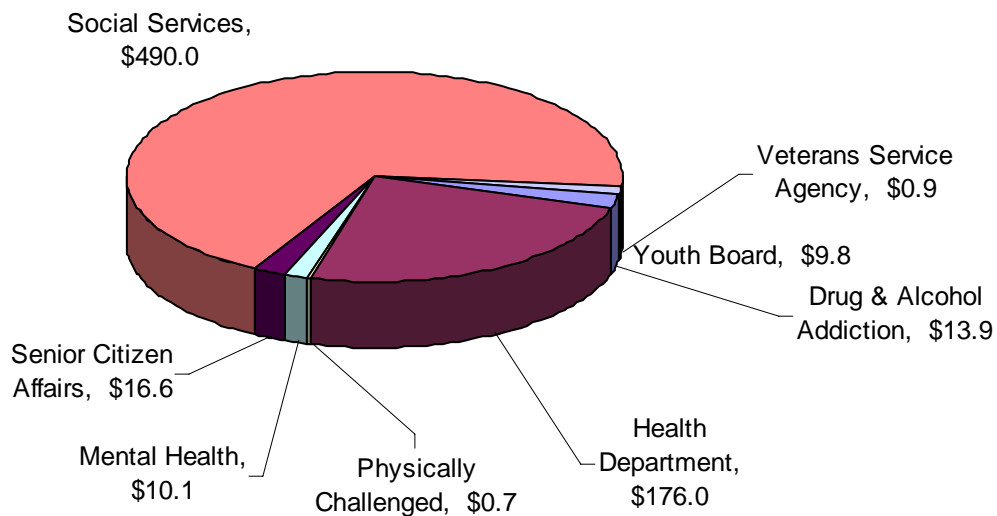




Health & Human Services Expenses as % of Total Expenses



Health & Human Services Vertical





HEALTH & HUMAN SERVICES VERTICAL

The Health and Human Services vertical is composed of the following eight departments:

- Drug and Alcohol Addiction
- Health
- Physically Challenged
- Mental Health, Mental Retardation and Developmental Disabilities
- Senior Citizens Affairs
- Social Services
- Veterans Service Agency
- Youth Board

VISION

The Health & Human Services (HHS) vertical will continue developing innovative methods of providing the most effective services possible to those in need. "No Wrong Door", a continuum of care model, will provide outcome-driven, holistic client care across the eight HHS and ancillary departments dealing with health and/or human services.

Overall, there are 1,273 full time employees in the eight departments, with an aggregate budget of \$718 million dollars in expenses and \$328.1 million in revenues.

The result of the vertical achieving its vision is that clients and caseworkers will collaborate to provide long-term effective solutions as opposed to years of temporary or emergency assistance and reliance on County resources. This vision will be effectuated on the basis of teaming of programs, departments, contract agencies, and communities.

This will be accomplished through case coordination, oversight and quality assurance for health and human services provided by Nassau County, either directly or through monitoring of contract agencies; assuring the highest standard of care for residents.

In order to do this, HHS departments are shifting from providing direct services to the oversight and quality assurance of contracted services. The "No Wrong Door" model will be implemented with a single point of entry for citizens requiring assistance to all HHS agencies and services resulting in "one-stop shopping" and integrated case management.

MISSION

The mission of the Health and Human Services (HHS) vertical is to improve the continuum of care in Nassau County so that residents are offered well-coordinated, high quality services responsive to their needs. The vertical will develop a coordinated system of services for those who need assistance and support in overcoming financial, medical and social problems.

By the middle of 2005, most of the HHS departments will have been moved into the new facility as part of the County's "No Wrong Door" Policy. As result, by 2006 the vertical will have taken another step toward providing smoother and easier access to services to all county residents. In addition, the Document Imaging Project currently in progress will save physical space, reduce costs and provide faster retrieval of information, creating an overall benefit to the vertical in 2006 and beyond.



The administration recognizes that the health and human services infrastructure requires additional resources. Community based organizations have not received increases in funding for several years, despite incremental increases in costs related to pension, rent, utilities, health insurance, etc. As a result, \$1.5 million dollars in additional funds have been allocated to the Health & Human Services vertical to help rebuild the Health and Human Services infrastructure. These funds will be distributed among the various HHS departments through a planning process that focuses on meeting the needs of Nassau County residents.

GOALS

The major goals for the Health and Human Services vertical are:

- Implement initiatives set forth by the administration and HHS management.
- Identify and put into practice creative service delivery models that will improve services and reduce expenses and/or maximize revenue.
- Continue to define and implement “No Wrong Door” for Nassau County Health and Human Services.
- Further consolidate infrastructure functions (Finance, HR, IT, Planning & Research, and Quality Assurance).
- Develop an outcome-driven model of client care.
- Transform the culture of HHS departments to one unified, client-centric organization.
- Implement eligibility screening and case management tools in collaboration with the State, in-house IT staff and industry experts.
- Continue to explore cross-departmental efficiencies.
- Continue to ensure that Nassau County is HIPAA (Health Insurance Portability and Accountability Act) compliant and continue remediation plan.
- Integrate services such as housing and job training into the HHS framework.
- Continue to address health disparity issues for minority populations through the Minority Health Task Force.
- Work with the Public Safety vertical to update and implement the bio-terrorism/emergency management action plan.



DEPARTMENT OF DRUG AND ALCOHOL ADDICTION



DR - DRUG & ALCOHOL

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	5,367,126	6,096,999	2,825,755	5,320,192
	BB -EQUIPMENT	1,385	1,519	-	1,531
	CC -MATERIALS & SUPPLIES	37	10,000	-	-
	DD -GENERAL EXPENSES	40,239	51,308	35,164	80,000
	DE -CONTRACTUAL SERVICES	5,546,029	6,132,781	5,116,449	6,679,022
	HF -INTER-DEPARTMENTAL CHARGES	140,020	1,364,973	-	1,860,045
Expense Total		11,094,837	13,657,580	7,977,369	13,940,790
Revenue					
	BF -RENTS & RECOVERIES	1,885,395	10,000	32,874	15,000
	BH -DEPT REVENUES	320,323	1,000	39,892	-
	BJ -INTERDEPT REVENUES	906,226	547,096	106,292	749,975
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	698,369	-	-	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	3,061,133	3,403,407	-	3,323,429
Revenue Total		6,871,446	3,961,503	179,058	4,088,404

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	79	2	0
2005 Adopted Headcounts	90	4	0

PERFORMANCE INDICATORS: DRUG AND ALCOHOL

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Case Management Unit			
Caseload referred by DSS Screening	4,681	6,000	6,000
Assessment, Consultations, Support Services	2,374	3,000	3,000
Referrals to Treatment	1,760	2,250	2,250
TIPS Treatment Placement Unit Program			
# of Unique Clients Served	1,050	1,050	1,050
Employee Assistance Program			
# of Training and Management Consultation Attendees	679	679	679



DRUG & ALCOHOL ADDICTION

The Nassau County Department of Drug & Alcohol Addiction (NCDDAA) oversees an extensive network of substance abuse related services delivered to clients directly or by subcontracted agencies. It is part of the Nassau County Health and Human Services Vertical, and works with the seven other departments in its vertical by sharing information and coordinating care and services with other parts of the County system.

To accomplish its mission of developing and implementing a comprehensive program for the education, treatment, prevention and rehabilitation of chemically dependent Nassau County residents, the Department of Drug and Alcohol Addiction will:

- Serve as the Local Designated Agency to receive all Federal, State and County funds for chemical dependency services.
- Fund, oversee and contract with hospitals, community-based organizations and schools that offer a wide range of treatment, education and prevention services.
- Seek to maximize external funding opportunities through treatment and prevention grant initiatives.
- Collaborate with Nassau County Health and Human Services Departments and funded hospitals, community-based organizations and schools to plan and develop a comprehensive approach to the treatment, prevention, education and rehabilitation of chemically dependent persons and their families.
- Disseminate information on chemical dependency issues to the citizens of Nassau County
- Insure that all service delivery initiatives comply with the highest standards of quality assurance.
- Develop management information services and systems in a manner consistent with the rapid dissemination of all relevant chemical dependency data.
- Engage in continuing needs assessment of essential chemical dependency treatment and prevention services in keeping with best practice outcomes and standards.

VISION

To strive to reduce the incidence of chemical use and abuse by the citizens of Nassau County, in partnership with the Nassau County Health and Human Service Departments and in the County's role as the Local Designated Agency for State funds and through the network of sub-contract programs that includes hospitals, community-based organizations and schools.

MISSION

Local Law #5-1972 established the Department of Drug and Alcohol Addiction with the mission of developing and implementing a comprehensive program for the education, treatment, prevention and rehabilitation of chemically dependent persons and their families who reside in Nassau County.



To support its mission NCDDAA is divided into the following six major areas:

Administrative Services

Administrative Services develops and implements comprehensive programs for chemically dependent persons and their families residing in Nassau County through education, treatment, prevention and rehabilitation.

Court Services

Court Services provides clinical assessments, treatment recommendations and referrals, and intensive case management of individuals in the Community Treatment Court, Community Youth Court, Drug Treatment Court, Family Drug Treatment Court and the Screening, Treatment, Education, Prevention (STEP) Program. It identifies chemical dependency and quality-of-life issues, monitors individuals in the treatment process and also assists the goals and objectives of the Criminal Justice system. This division coordinates services and interfaces with NCDDAA units, community based organizations, the Nassau County Criminal Justice system departments and inpatient treatment facilities. Finally, it provides reports for court proceedings indicating compliance with recommended treatment requirements and abstinence from chemical use.

Direct Services

The Direct Services unit engages, assesses and refers chemically dependent individuals and their families to quality treatment services with the goal of restoring said individuals to productive employment and community functioning and foster the maintenance of a productive workforce. It provides outreach to clients, County employees and stakeholders. It incorporates best practices along with current research trend recommendations. Direct Services works to maximize revenue sources and grant procurement, sustain maximum utilization of services, and maintain regulatory compliance and high quality services.

Community Liaison Services

Community Liaison Services assures the delivery of effect and efficient chemical dependency services to a broad range of persons within Nassau County. This is accomplished through program monitoring to assure compliance with New York State and other regulations, through program development and technical assistance in accordance with best-practice guidelines, through the development and support of referral and other collaborative initiatives between community based organizations and school-based prevention programs, through the initiation and support of community-level coalitions linking chemical dependency and other health and human service providers, and, finally, by developing cooperative and productive relations with the NYS Office of Alcohol & Substance Abuse Services (OASAS) Long Island Field Office to maintain funding levels.

Health, Health Education and Training Services

Health, Health Education and Training Services delivers health information, education, professional training, capacity building, program development, HIV prevention and intervention services to the diverse communities of Nassau County through contact with the network of community based agencies, school prevention unit, direct services and the community of available health services, by providing health education and training including conferences to achieve a higher level of understanding of prevention, by reducing the incidence of HIV/AIDS through HIV education and implementation of HIV counseling, testing, referral and partner notification services, by sustaining a high level of professional competence through in-service training, and by expanding and developing new services throughout the Department and HHS network through grant collaboration.



Fiscal Services

The Fiscal Services unit strives to accurately, efficiently and effectively oversee, manage and maximize all revenues available to the Department to support its system of chemical dependency services in Nassau County, to ensure compliance with County and State requirements in accordance with Generally Accepted Accounting Procedures(GAAP), and to provide regular monitoring and tracking reports as needed and requested by the Commissioner of the Department and the Health and Human Services vertical administration.

2006 BUDGET HIGHLIGHTS

The total Fiscal 2006 Adopted Budget is \$13.9 million. This includes \$5.3 million for salaries and 79 full time employees, down from 90 the previous year. These headcount and salary decreases reflect, in part, the department's transfer of eight employees from the General Fund to the Grant Fund, as these employees work in 100 percent Grant funded programs. Contractual expenses are \$6.7 million, up from \$6.1 million in 2005.

The increase in contractual services is mainly due to the decision to provide greater funding to Health and Human Services departments for recurring and non-recurring programs, as well as for changes and improvements to the vertical's basic infrastructure. The departments and the vertical management will work together to distribute these funds in the manner that best services the County and its residents. In the case of the Department of Drug & Alcohol Addiction, \$800,000 was added, with roughly one third devoted to each of recurring, non-recurring and infrastructure purposes. Projected contract amounts are based on funding levels of the Office of Substance Abuse Services (OASAS).



HP - PHYSICALLY CHALLENGED

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	273,609	274,812	143,618	341,736
	BB -EQUIPMENT	720	2,050	790	2,067
	CC -MATERIALS & SUPPLIES	3,685	24,600	13,784	-
	DD -GENERAL EXPENSES	1,299	3,075	-	18,000
	DE -CONTRACTUAL SERVICES	25,500	26,138	25,500	35,000
	HF -INTER-DEPARTMENTAL CHARGES	36,305	255,751	-	282,014
Expense Total		341,117	586,426	183,692	678,817
Revenue					
	BD -FINES & FORFEITS	123,132	30,000	26,610	50,000
	BF -RENTS & RECOVERIES	250	-	-	-
	BJ -INTERDEPT REVENUES	-	-	-	600,000
Revenue Total		123,382	30,000	26,610	650,000

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	7	0	0
2005 Adopted Headcounts	6	0	0

PERFORMANCE INDICATORS: PHYSICALLY CHALLENGED

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
# Of Permits Issued	16,600	18,260	19,173
# Of Inquiries Responded To	5,000	5,500	5,775
# Of Institutional Outreach Contacts	281	309	324



OFFICE FOR THE PHYSICALLY CHALLENGED

The Office for the Physically Challenged administers the NY State Handicapped Parking Permit program and coordinates enforcement with the County Police Department. It provides information and referral of services to more than 200,000 physically disabled residents, their families and supporters, conducts comprehensive technical assistance, outreach to business and commercial establishments to enhance employment of and consumerism by persons with disabilities, oversees compliance and coordination with the Federal Americans with Disabilities Act(ADA), which affects public and

private sector accommodations, programs, services and transportation for the handicapped, provides assistance for interpretation of Federal and NY State Laws and regulations affecting those individuals with disabilities. This office also administers advocacy and oversight for the County's Able-Ride para-transit service, which provides transportation to over 12,000 severely disabled residents, develops legislative initiatives, sponsors forums and conferences on major disability policy issues, and conducts professional management training on provision of reasonable accommodations for all County departments.

VISION

The Office for the Physically Challenged seeks to harness the great potential power of a population of some 200,000 people with disabilities in our County in order to enhance consumerism, employment, and access to adaptable housing, accessible health care, education and transportation.

GOALS

- Increase revenues associated with violations of NY State Handicapped Parking Permit utilization.
- Increase the number of Volunteer Handicapped Parking Ambassadors and interaction with police precincts.
- Increase technical assistance contacts with business community to enhance consumerism (sales tax revenue increases) & employment.
- Implement additional ADA management training for all county departments and agencies.
- Develop and coordinate programs on increased accessible health care and emergency response mechanisms.

MISSION

The mission of the Office for the Physically Challenged is to provide services with dignity and respect to persons with disabilities, to serve as the disability rights advocacy agency and to provide comprehensive and cost-effective compliance with Federal, State and local mandates.



2006 BUDGET HIGHLIGHTS

The Office for the Physically Challenged continues to provide mandated services to over 200,000 residents on an Adopted Budget of \$678,817, staffed with seven full time employees. This includes interdepartmental revenue resulting from the Department of Social Services' use of this department as an Information and Referral resource. This is in line with County's "No Wrong Door" Policy.





HE - HEALTH DEPARTMENT

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	15,042,444	16,328,485	8,241,595	17,167,418
	BB - EQUIPMENT	27,182	30,000	14,566	30,000
	CC - MATERIALS & SUPPLIES	602,484	630,000	457,062	-
	DD - GENERAL EXPENSES	1,647,785	1,177,200	475,162	1,879,300
	DE - CONTRACTUAL SERVICES	49,219,025	5,738,000	5,639,261	7,342,000
	HF - INTER-DEPARTMENTAL CHARGES	1,279,448	3,627,728	-	5,429,603
	HH - INTERFD CHGS - INTERFUND CHARGES	-	25,000	-	25,000
	PP - EARLY INTERVENTION/SPECIAL EDUCATION	-	45,000,000	43,178,638	144,086,100
Expense Total		67,818,368	72,556,413	58,006,284	175,959,421
Revenue					
	AA - FUND BALANCE	-	-	-	867,000
	BC - PERMITS & LICENSES	3,502,665	3,603,296	1,953,881	3,603,580
	BD - FINES & FORFEITS	260,660	225,000	116,992	225,000
	BF - RENTS & RECOVERIES	4,252,902	175,000	152,089	50,000
	BH - DEPT REVENUES	7,600,179	6,836,900	1,843,911	8,601,900
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	24,621,251	27,671,288	10,556,573	85,081,730
Revenue Total		40,237,657	38,511,484	14,623,446	98,429,210

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	250	18	14
2005 Adopted Headcounts	241	18	14

PERFORMANCE INDICATORS: DEPARTMENT OF HEALTH

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Communicable Diseases			
Total # Of Reports Received	22,095	22,000	22,000
Total # Of Reports Confirmed	6,004	3,650	3,650
Investigations			
# of Immediate Response Investigations	15	36	36
# of 72 Hour Response Investigations	871	1,400	1,400
# of 1 Week Response Investigations	2,076	2,200	2,200
Environmental			
Monthly Environmental Nuisances All Cases	5,127	5,300	5,300
Inspections			
Community Sanitation Inspections	136	2,900	2,900
Food Protection Inspections	5,664	5,800	5,800



HEALTH DEPARTMENT

The Nassau County Health Department (HD) has six Control Centers in the General Fund: Administration, Environmental Health, Public Health Laboratory, Public Health and Children's Early Intervention Services. In addition, grant funding is received for a variety of programs and Nassau County is the grantee for the Federal Ryan White Title I monies to the Nassau-Suffolk Eligible Metropolitan Area.

The Nassau County Department of Health promotes and protects the health of the residents of Nassau County. The mission is accomplished through direct services and community partnerships in the following areas:

- Prevention of environmental health hazards through assessment, regulation and remediation.
- Investigation and control of communicable diseases, including agents of bioterrorism.
- Promotion of healthy behaviors through education, outreach and training.
- Promotion of equal access to culturally and linguistically appropriate healthcare and allied services.
- Development and dissemination of local health data.
- Creation of innovative solutions to public health problems.

VISION

The Nassau County Department of Health will lead a public health system that works to promote healthy communities. It will rely on science, a detailed understanding of local conditions, and the creativity of its own staff and partners to make important and long lasting improvements to Nassau's health.

MISSION

The Nassau County Department of Health promotes and protects the health of the residents of Nassau County.

The Health Department's vision and mission are supported by the following divisions:

Administration

Provides overall leadership and direction of the Department, as well as administrative support, fiscal, billing, revenue receipt, preparation of State and Federal Aid claims, human resources, staff development, community health assessment, planning, automation systems management and public information functions. Health disparity initiatives are coordinated out of the Commissioner's office.



Environmental Health

Protects the community from adverse health effects and diseases that may result from environmental pollution, unsanitary conditions and unsafe practices. This division also promotes safe water, food, air, and recreational facilities by:

- Inspection and monitoring of food service establishments, recreational facilities and public water supplies;
- Investigation of complaints;
- Response to emergency spills and incidents;
- Control and regulation of storage, handling and disposal of hazardous wastes and toxic materials;
- Abatement of household lead hazards;
- Investigation of food-borne outbreaks;
- Oversight of radiological equipment;
- Certification of lifeguards and tattoo artists;
- Control of mosquitoes, rabies and other disease vectors;
- Investigation and abatement of environmental contamination;
- Review of plans for water supplies and realty subdivisions;
- Enforcement of local, state and federal tobacco control laws.

Public Health Laboratory

Provides clinical and environmental laboratory services to assess community health. It maintains the technological and scientific expertise to assist in the diagnosis of communicable diseases, determination of the source of food-borne illnesses, and presence of bacterial and/or chemical contamination in the environment. Rapid emergency response capabilities are maintained for all services.

Public Health

This section of the Department's budget includes personal and public health services:

Community and Maternal Child Health Services

- Operates the Women's, Infants, and Children's (WIC) supplemental nutrition and education program
- Convenes the Perinatal Services Network
- Serves pregnant women in the Hempstead Village through the Community Health Worker Program
- Coordinates departmental emergency responses
- Provides support for quality assurance in the Countywide EMS system
- Coordinates public health services with the Nassau Health Care Corporation



HIV and STD Control

Coordinates HD and County activities aimed at prevention of and treatment for HIV infections and other sexually transmitted diseases (STDs).

- Conducts programs in community outreach, community education and peer education;
- Conducts case follow-up and contact tracing for HIV and STD;
- Staffs the Nassau County HIV Commission;
- Provides administrative oversight for the Nassau-Suffolk Ryan White Title I grant.

Disease Control

Protects the public from the spread of communicable disease, including those caused by potential agents of bioterrorism, through surveillance, reporting, monitoring, outbreak investigation and control, tuberculosis case management and directly observed therapy (DOT). The Division oversees childhood lead poisoning education, screening and prevention as well as providing public education and professional interventions to increase the numbers of children and adults who are fully immunized for each appropriate age group. The Bureau of Health Promotion identifies public health needs and develops programs that provide health education and promote healthy behavior. The Bureau's goal is to prevent or control chronic diseases through interventions in schools, the community, faith-based institutions, worksites and other venues. The Bureau creates and produces materials, exhibits and visual aids that are utilized in health fairs, senior picnics, church meetings, youth forums, "lunch and learn" seminars and other events. The Bureau oversees the Information and Referral Unit of the Department; responds to information requests from the community at-large, legislators, County agencies and other organizations, and conducts specific outreach to targeted communities that are underserved and suffer health disparities.

Through a contractual arrangement with the Nassau Health Care Corporation (NHCC), the Department pays \$5 million to support the provision of essential public health services at six community health centers (Elmont, Freeport-Roosevelt, Hempstead, Inwood-Lawrence, New Cassell-Westbury, Long Beach) and the School-Based Health Program in the Roosevelt Junior/Senior High School. The Nassau Health Care Corporation must provide program and financial data in accordance with the Public Health Services Agreement between the County and the Corporation.

Children's Early Intervention

This unit coordinates three programs for children with special health care needs:

1. The Early Intervention Program (EIP) is an entitlement program under Part C of the Federal Individuals with Disabilities Education Act (IDEA). The program provides specialized services to children under age three with developmental delays and disabilities. Mandated services include core and supplemental evaluations to determine eligibility and a comprehensive array of services to eligible children (including service coordination, speech/language therapy, physical therapy, occupational therapy, special education, family counseling and transportation) in a variety of settings.
2. The Child Find component of the Early Intervention Program is a New York State Department of Health grant-funded program to identify infants at risk for physical and developmental disabilities as soon after birth as possible, to ensure that these children have a medical home where routine development surveillance and appropriate screenings are provided.



3. The Physically Handicapped Children's Program (PHCP) pays for all medical, surgical, rehabilitative, orthodontic, and other related services for children (age 0-21 years) with eligible medical conditions who meet both medical and financial eligibility requirements.

Preschool Special Education Program

The Department provides administrative oversight to a large, complex system of educational and supportive services to special needs children ages three-to five in accordance with Section 4410 of the New York State Education Law. The program also oversees a Countywide transportation system for both the Early Intervention Program (ages one-three) and Preschool (three-five). The Preschool program offers center based educational services, itinerant services, evaluations and transportation. The Committee on Preschool Special Education (CPSE) determines children eligible to receive services in their local school district. The Department is responsible for managing over 400 provider contracts, maintaining lists of approved itinerant service providers and providing the statutory function of Municipal Representative at local CPSE meetings.

GOALS

1. **Emergency Response:** Maintain a high state of readiness to respond to public health emergencies including: biological, radiological or chemical terrorism, as well as naturally occurring epidemics, such as avian influenza.
2. **Health Disparities:** Reduce health and health care disparities through the combined efforts of County agencies, health care providers and community groups.
3. **Information and Data Management:** Improve the HD's ability to communicate and provide information to our customers, including individuals, professionals and health care organizations.
4. **Chronic Disease Control And Prevention:** Become more effective in changing health-related behavior, particularly for teenagers and young adults.
5. **Partnerships:** Improve the coordination and collaboration between the HD and other members of the public health system, such as hospitals, managed care organizations, community groups, environmental advocates and social service agencies.
6. **Cultural Competence:** Become a more culturally competent workplace, and in doing so, provide better service to our clients and become a better place to work.

2006 BUDGET HIGHLIGHTS

The total Fiscal 2006 Adopted Budget is \$176 million, reflecting the Spring 2005 transfer of the Preschool Special Education Program for children ages three to five from the Department of Mental Health to the Department of Health. In a large number of counties in New York State, the Early Intervention and Preschool Special Education Programs are administered by the Health Department under one director. The potential advantages of a single administrative structure include 1) a more efficient system of communication with School Districts and providers, many of whom also serve children in the Early Intervention Program, 2) economies of scale for program operation such as Quality Assurance initiatives similar to the Early Intervention Program and 3) the ability to recoup some Preschool administrative cost through the NYS Department of Health.

The combined Fiscal 2006 Adopted Budget expenses in the Pre-School Special Education/Early Intervention line in Mental Health and Health are \$144.1 million, up 3 percent from the combined total of \$139.9 million in 2005. This is consistent with the estimated increase of 185 children from the



previous school year, from 6,237 to 6,422, also an increase of 2.9 percent. Children entering the preschool program are in need of more services than children previously enrolled. For example, the actual number of children enrolled in center based programs requiring additional services after school has increased from 696 to 792 and the number of children who required a Special Education Itinerant Teacher (1:1 teacher while in program) increased from 1,193 to 1,364.

The increase from the 2005 Adopted Budget level of revenue from \$38.5 million to \$98.4 million also stems from the above transfer of the Pre-School program, as does the increase in salary. Eight full time employees were added to work on the Pre-School program and two full time employees were added to the Early Intervention program, bringing Health's full time headcount to 250 and increasing its salary level to \$17.2 million.

Funding for the County Executive's "Common Sense for the Common Good" Initiative, which is designed to help prevent unintended pregnancies and to support women who face unintended pregnancies, is also included within the Health Department's Budget in the amount of \$1 million.

In 2006, the Cornell Cooperative Extension will have a portion of its funding come from a contract in the Health Department in the amount of \$350,000. This contract has been placed in Health because its services are public health related, covering such programs as Nutrition & Wellness, Parent Education and Environmental Education. Its expenses are partially reimbursable through the state.

DEPARTMENT OF MENTAL HEALTH



MH - MENTAL HEALTH

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	1,095,500	1,291,278	605,674	817,947
	CC - MATERIALS & SUPPLIES	3,361	5,569	1,317	-
	DD - GENERAL EXPENSES	1,303,124	804,623	368,758	820,839
	DE - CONTRACTUAL SERVICES	5,502,588	6,176,127	3,245,226	7,861,598
	HF - INTER-DEPARTMENTAL CHARGES	56,183	553,714	-	630,860
	OO-OTHER	90,334,129	-	(140)	-
	PP -EARLY INTERVENTION/SPECIAL EDUCATION	-	94,959,400	79,766,518	-
Expense Total		98,294,885	103,790,711	83,987,354	10,131,244
Revenue					
	BF -RENTS & RECOVERIES	343,177	50,000	19,968	-
	BH -DEPT REVENUES	1,708,855	1,827,840	(416,179)	327,840
	BJ -INTERDEPT REVENUES	853,981	1,373,915	-	508,721
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	53,060,846	55,220,646	(3,992,750)	3,625,705
Revenue Total		55,966,858	58,472,401	(4,388,961)	4,462,266

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	10	0	0
2005 Adopted Headcounts	20	0	0

PERFORMANCE INDICATORS: MENTAL HEALTH

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Assisted Outpatient Treatment			
Average AOT Caseload	130	130	130
Average Cases under court order	89	86	86
Average voluntary cases	21	26	26
Average Cases under investigation	19	18	18
Significant Event Episodes	373	314	314
Family Court Consultation Services			
# Of Individuals Remanded	146	172	172
# Of Diversions	79	86	86
Forensic Services			
# Of Evaluations	210	270	270
# Of Individuals Seen	230	310	310



MENTAL HEALTH

The Department is responsible for assuring the delivery of individualized, responsive and accessible care that is provided in a manner that demonstrates respect for client dignity. It is dedicated to ensuring the highest quality of mental hygiene services in an environment that recognizes and accommodates the diversity of its clients' linguistic and cultural background. It is charged with the safeguarding of client and community safety and insuring accountability for quality of care and fiscal efficiency. It establishes and maintains systems of accountability among community based service providers and local hospitals to insure that performance objectives are met, resources are appropriately allocated, services are coordinated, and access is available to all residents.

VISION

The Nassau County Department of Mental Health, Mental Retardation and Developmental Disabilities will continually promote the development of a comprehensive, coordinated and accessible system of services that enables those with a mental illness or developmental disability to maximize their functioning and to live safely and successfully in the community.

DESCRIPTION

The Nassau County Department of Mental Health, Mental Retardation and Developmental Disabilities is the "Local Governmental Unit" as defined in Section 41.13 of the NYS Mental Hygiene Statute. Some of the duties enumerated in statute include:

- Review services and local facilities for the mentally disabled in relation to local need;
- Determine needs of the mentally disabled;
- Encourage programs of prevention, diagnosis, care, treatment, social and vocational rehabilitation, special education and training, consultation and public education on mental disabilities;
- Develop a Local Mental Health Plan;
- Assure that all population groups are adequately covered;
- Develop policy for/ exercise general supervisory authority over local services and facilities;
- Administer, supervise or operate the Assisted Outpatient Treatment Program;
- Identify and plan for the provision of care coordination, emergency services and other needed services for persons who are identified as high-need patients.

MISSION

The Mission of the Nassau County Department of Mental Health, Mental Retardation and Developmental Disabilities is to promote best practices and the availability of the full range of services for children, families and adults in need of mental health, mental retardation/developmental disabilities' services.

The Department encourages the use of evidenced based practice models that have been shown to produce satisfactory results in improving the lives of those it serves. Close partnerships with state and local providers, consumers and families is essential in the development of its local Mental Health and Mental Retardation and Developmental Disabilities Plan. These documents, mandated by Article 41.05 of the New York State Mental Hygiene Law, are required in order for the County to receive State Aid.



The Department of Mental Health, Mental Retardation and Developmental Disabilities, provides for the development of community based preventive, rehabilitative and treatment services offering continuity of care for the mentally ill, mentally retarded and developmentally disabled. As mandated by 9.60 of the Mental Hygiene Law, the Department administers an Assisted Outpatient Treatment Program (Kendra's Law) in collaboration with its mental health provider network. The Division of Forensic Services, mandated by several state laws, provides expert examinations, testimony and consultation to all the courts in Nassau County. Direct services to the public will continue to be provided through contracts with voluntary community based agencies. Many direct services are now supported by 100 percent reimbursement through third party payers. The Department will continue to monitor contract compliance, compliance with evidenced based practices and compliance with all Federal, State and local regulatory standards.

The Department of Mental Health, Mental Retardation and Developmental Disabilities is comprised of the following divisions:

Administration

Administration is responsible for the planning, monitoring, and delivery of services to the emotionally disabled, mentally retarded and developmentally disabled and their families in Nassau County. The Administration staff prepares contracts and processes reimbursement with local agencies, and individual providers. Administration provides general oversight to the Assisted Outpatient Treatment Program, which shares resources with the Department's Division of Direct Services. Administration oversees the Department's Emergency Mental Health Response Plan and Disaster Mental Health Plan in coordination with the Office of Emergency Management.

Contractual Services

This Division provides a full range of programs for the mentally ill and developmentally disabled. Through the effective allocation of Federal, State and Local resources, it is able to promote its goal of recovery, and reduce the inappropriate use of institutional, in-patient and residential care. The community services network supports a recovery model and encourages the consumers and their families to actively participate in the planning and implementation of various programs and services.

Division of Forensic Services

Forensic Services provides specialized diagnostic forensic mental health evaluations, consultation and expert testimony to the Nassau County Court System, Departments of Probation and Social Services. The Family Court Consultation Service provides on-site mental health consultation in the Family Court. On-site assessment and consultation enables the Court to consider alternatives to costly and often inappropriate in-patient remands improving the quality of services to children and families at a significant savings to the County. Forensic Services performs a unique role in the criminal justice process by providing highly specialized consultation, evaluations and testimony. This division serves as a major resource on issues related to the interface between the criminal justice and mental health systems.



GOALS

- Operate the Assisted Outpatient Treatment (AOT) program in a manner that promotes best practices and facilitates client access to services while minimizing coercion and maximizing client choice.
- Reduce the rate of remands for inpatient psychiatric evaluations by Family Court judges.
- Provide oversight and methods of accountability to insure that services are responsive to individual needs and are delivered in accordance with best practice standards.

2006 BUDGET HIGHLIGHTS

The Mental Health Department has a Fiscal 2006 Adopted Budget of \$10.3 million. This change from the 2005 Adopted Budget of \$103.8 million reflects the transfer of the entire Pre-School Special Education program from this department to the Department of Health, along with the related State Aid. The salaries of the seven full time employees who work on this program have also been transferred to the Health Department, bringing the Mental Health department's full time headcount down to 10. The increase in contractual services is mainly due to the decision to provide greater funding to Health and Human Services departments for recurring and non-recurring programs, as well as for changes and improvements to the vertical's basic infrastructure. The departments and the vertical management will work together to distribute these funds in the manner that best services the County and its residents. In the case of the Department of Mental Health, \$1.7 million was added, with roughly one third devoted to each of recurring, non-recurring and infrastructure purposes. The department will also receive an additional \$335,000 in fully reimbursable contractual funds for Persons in Need of Supervision (PINS).

The Department has two court remand accounts. One is remands from the Family Court to NUMC and one is from the Family & Criminal Courts to NYS Facilities. Both remands include Parents In Need of Supervision. Due to recent legislative actions the number of individuals eligible for PINS has increased, and the Family Court has referred more children to Sagamore Psychiatric Treatment Center, a State treatment facility for evaluation and possible treatment. The average length of stay at Sagamore is 50 days versus Nassau University Medical Center (NUMC) which is 12 days. The Department has been able to reduce the number of remands to NUMC by virtue of having a clinical psychologist available at the Family Court for immediate evaluations. While the Department has been able to divert hospitalization for some individuals the number of PINS has grown.

DEPARTMENT OF SENIOR CITIZEN AFFAIRS



SC - SENIOR CITIZEN AFFAIRS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	2,137,228	2,257,727	1,102,703	2,442,317
	BB -EQUIPMENT	5,950	6,140	(600)	6,000
	CC -MATERIALS & SUPPLIES	5,159	25,240	35	-
	DD -GENERAL EXPENSES	15,704	12,985	6,664	60,036
	DE -CONTRACTUAL SERVICES	10,731,282	10,875,154	8,911,786	12,679,912
	HF -INTER-DEPARTMENTAL CHARGES	111,782	995,277	-	1,407,862
Expense Total		13,007,106	14,172,523	10,020,587	16,596,127
Revenue					
	BF -RENTS & RECOVERIES	122,055	-	105,979	-
	BH -DEPT REVENUES	15,048	15,000	15,029	15,450
	BJ -INTERDEPT REVENUES	-	72,277	-	390,562
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	5,089,399	5,148,501	688,262	5,034,374
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	3,816,575	4,024,770	(557,393)	4,688,045
Revenue Total		9,043,077	9,260,548	251,877	10,128,431

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	38	8	0
2005 Adopted Headcounts	35	3	0

PERFORMANCE INDICATORS: SENIOR CITIZENS

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Senior Center Congregated Meals			
# of Meals Served At Center	250,901	290,000	290,000
# of Seniors Served Meals	8,555	6,700	6,700
Home Delivered Meals			
# of Meals Served	404,113	434,000	434,000
Transportation for County Funded Senior Centers			
Total # of trips taken by passengers	201,918	205,500	205,500
# of senior passengers transported	1,659	1,500	1,500



SENIOR CITIZEN AFFAIRS

The Department acts as the primary advocate at the local, state and federal levels for the needs, concerns and interests of older people in Nassau County. Principal responsibilities are to plan and develop programs and policies to meet the needs of older citizens. The Department receives funding from Federal and State agencies for program planning, administration and operations. It coordinates more than 90 programs and services which enable senior citizens to remain safely in their homes and communities for as long as possible, thereby delaying or avoiding institutionalization. In addition, it seeks funds from other non-traditional sources and coordinates efforts by the private sector to support current, new and expanded services for senior citizens.

VISION

The Department of Senior Citizen Affairs will provide comprehensive services in identifying and meeting the needs of senior citizens and their caregivers. In addition, the Department will be a key component in the Health and Human Services continuum, the County and the State, providing cost effective assistance that will maintain optimum quality of life for senior citizens in their homes and communities.

In order to accomplish its mission, Senior Citizen Affairs:

- Advocates at the local, state and federal levels for the needs, concerns and interests of older people in Nassau County.
- Assesses the needs of Nassau County's older citizens and identifies available services and gaps in services.
- Develops and implements programs to meet the needs and enable senior citizens to remain in their homes and communities and maintain a high quality of life for as long as possible.

MISSION

The Department of Senior Citizen Affairs, as the designated Area Agency on Aging for Nassau County, implements the Older Americans Act of 1965 as amended and the New York State Community Services for the Elderly Act of 1979.

To support the vision and mission of Senior Citizen Affairs, the agency is comprised of several units whose functions are:

Administration

Oversees all aspects of the department's operations and develops protocols for ongoing activities. It functions as liaison to the County Legislature and Administration, to the NY State Office for the Aging and the Department's Advisory Council.



Programs

Responsible for the overall planning, application and management of grants received from federal, state and county sources. Develops Requests for Proposals and contracts with provider agencies. Monitors and assesses all department programs for programmatic and contract compliance.

Administers a county-wide home delivered meals program for frail, homebound elderly and a county-wide congregate nutrition program with related transportation, health promotion and support services in accord with federal and state guidelines at a coordinated network of Senior Centers. Coordinates the Department's North Merrick and Roslyn community-based offices.

Administers programs that meet the special needs of frail elderly including adult day care, case management, financial counseling, non-medical in-home care, respite, legal and ombudsman services. Provides technical assistance to contractor agencies.

Provides direct information, referral and consultation services to seniors and caregivers. Staffs and coordinates support groups for caregivers of the frail elderly and the department's monthly Information and Assistance Fairs (I&A). Develops Gerontology Workshops and other training opportunities for staff, professionals and constituents. Administers the Home Energy Assistance Program (HEAP) and the Weatherization, Referral and Packaging Program (WRAP) for income eligible individuals.

Coordinates all public information activities including a speakers' bureau, the update and distribution of department literature and press releases. Maintains the Department's web site. Responds to all requests for assistance forwarded from the County Executive's Office.

Shared Services

Prepares and maintains the department's general and grant fund budgets, approves contractor budgets, requests revenues due from the state and federal governments, and prepares financial reports. Audits all contractor vouchers and submits for reimbursement.

Provides computer support for the Department's staff in all office locations.

Prepares and maintains all department personnel records. Ensures compliance to all human resource regulations.

GOALS

- Respond to the needs of the rapidly growing senior citizen population.
- Improve the effectiveness of limited administrative staff in responding to increased responsibilities.
- Enhance revenue.



OBJECTIVES

- Implement 'No Wrong Door' so that senior citizens receive comprehensive services through single point of entry (SPOE).
- Continue to coordinate the involvement of representatives from government and non-profit agencies at monthly I & A fairs in order to provide multiple services to attendees in convenient, easily accessible sites in target communities.
- Coordinate staff development initiatives with other government and non-profit agencies to provide more opportunities for training.
- Develop a system of fiscal on-site monitoring.
- Utilize the centralized computer reporting and tracking system to increase efficiencies.
- Secure additional funds through grant writing.
- Develop cost savings initiatives (utilizes frozen meals in the nutrition delivery system.)
- Advocate to maintain or develop programs that provide important and necessary supportive services to senior citizens and their caregivers.

2006 BUDGET HIGHLIGHTS

The Department of Senior Citizens' Affairs' Fiscal 2006 Adopted Budget is \$16.6 million, of which \$12.7 million is devoted to Contractual Services, an increase from \$10.9 million in 2005. Much of the increase reflects a greater allocation to counties by the state in the area of In-Home services for the elderly, which reduces hospitalization and institutionalization and their associated costs in the long run. The department is able to provide more services as a result of this allocation, of which 90 percent is funded by the state. The Department will also receive \$400,000 in additional interdepartmental revenue as a result of an arrangement with the Department of Social Services, in which Social Services can purchase the Information & Referral Services of Seniors and claim reimbursement for it, thus maximizing overall county revenue. This is in line with the County's "No Wrong Door" Policy. The department's full time headcount stands at 38, up from 35 in 2005.

DEPARTMENT OF SOCIAL SERVICES



SS - SOCIAL SERVICES

E/R Expense	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
	AA -SALARIES, WAGES & FEES	44,688,925	48,488,480	23,643,773	50,063,914
	BB -EQUIPMENT	69,614	126,532	21,654	127,570
	CC -MATERIALS & SUPPLIES	39,161	48,000	18,772	-
	DD -GENERAL EXPENSES	6,825,528	1,103,795	654,209	1,161,243
	DE -CONTRACTUAL SERVICES	10,251,377	11,811,461	10,904,221	14,198,321
	DF -UTILITY COSTS	2,042	400	-	400
	HF -INTER-DEPARTMENTAL CHARGES	3,310,159	10,663,208	173,595	19,541,024
	SS -RECIPIENT GRANTS	50,239,557	51,604,600	24,616,901	51,652,600
	TT -PURCHASED SERVICES	43,086,294	45,886,814	32,077,491	46,012,951
	WW -EMERGENCY VENDOR PAYMENTS	47,468,080	50,824,000	40,852,488	53,060,200
	XX -MEDICAID	369,248,226	281,748,167	138,047,565	214,609,343
	XY -MEDICAID - IGT	-	40,973,706	-	39,573,706
Expense Total		575,228,962	543,279,163	271,010,668	490,001,272
Revenue					
	AA -FUND BALANCE	-	-	-	1,500,000
	BF -RENTS & RECOVERIES	9,816,174	-	322,175	3,408,364
	BH -DEPT REVENUES	132,093,118	10,878,900	3,547,938	9,467,000
	BX -MEDICAID IGT REIMBURSEMENTS	-	40,973,706	-	39,573,706
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSE	98,499,384	99,777,642	16,447,631	94,665,063
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	113,638,696	106,876,231	(23,960)	59,204,417
Revenue Total		354,047,372	258,506,479	20,293,783	207,818,550

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	873	157	0
2005 Adopted Headcounts	852	195	0

PERFORMANCE INDICATORS: Department of Social Services

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Medicaid			
Total Medical Assistance			
Active Cases	67,553	71,800	71,800
Dispositions			
Applications Pending	3,727	4,000	4,000
Processing Statistics			
% of Applications over 30 days	54%	54%	54%
Child Protective Services			
Nassau Total Open Investigations			
Investigative Case / Caseworker	20.5	29	29
Indicated Cases			
Caseload / Caseworker	9	15	15
Public Assistance			
Active Cases			
Public Assistance Total	4,706	4,750	4,750
# of Applications pending over 30 days			
Public Assistance Total	565	660	660



SOCIAL SERVICES

The Department of Social Services provides supportive services and financial assistance to eligible individuals and families in Nassau County.

Social Services works towards its vision and accomplishes its mission by:

- Providing aid to eligible recipients through the Family Assistance, Safety Net, Day Care, Employment, Food Stamp, Medicaid and Home Energy Assistance Programs.
- Establishing an initial child support obligation of a legally responsible individual through the Family Court, collecting support payments, and enforcing and modifying existing support orders.
- Protecting children, adults and families by enforcing the mandates of New York State Social Services Law.
- Providing secure detention for youths at the Nassau County Juvenile Detention Center whose cases are awaiting disposition in Family, District or County courts.

VISION

To attain a more effective and efficient service delivery, increase collaboration between the HHS vertical and Community Based Organizations(CBO's) and be a leader in the implementation of technology improvement.

MISSION

The mission of the Department of Social Services is to provide financial assistance and supportive services to eligible individuals and families in Nassau County, consistent with Federal and State laws.

In order to support the vision and mission of Social Services, Department programs are divided into the following broad organizational areas:

Administration

Administration establishes policy, and coordinates, supervises and supports the operations of the Department.

Services

Services represent a major program division within the Department and encompass a variety of programs that support needy children, families and adults. Major programs include Day Care, Foster Care, Adoption, Child Preventive, Child Protective, Adult Preventive and Protective, Homemaker, Title XX and Handicapped Children. These services assist and protect children and adults unable to manage self-care and provide help to families and individuals to achieve economic self-support and self-sufficiency.



Financial Assistance

Programs include Family Assistance, Safety Net, Day Care, Employment, Food Stamps, Medicaid, Home Energy Assistance and Child Support Enforcement, which are designed to assist low-income individuals and families to meet immediate financial needs, while also providing supportive services that can lead to self-sufficiency and economic independence.

Juvenile Detention

The Department provides non-secure juvenile detention services for Persons In Need of Supervision (PINS) and Juvenile Delinquents (JDs) referred by the Nassau County Probation Department and the Juvenile Aid Bureau of the Nassau County Police Department. Secure juvenile detention services are provided for juveniles who have criminal cases pending in Family, County or Supreme Court at Nassau's Juvenile Detention Center.

GOALS

- Efficiently and effectively administer all DSS Programs; and to operate within budget limits.
- Assist and protect children and adults unable to help themselves; and assist families and individuals to achieve economic self-support and self-sufficiency.

2006 BUDGET HIGHLIGHTS

The Department of Social Services has a Fiscal 2006 Adopted Budget of \$490 million in expenses and \$207.8 million in revenues. The Department's staff includes 873 full time and 157 part time employees, a change from the 852 full time and 195 part time employees budgeted in 2005. This trade off of part timers for more full timers will hopefully provide greater levels of experience, stability and productivity.

The 2006 Budget submission includes a reduction in Medicaid expenditures of \$67.1 million from the Fiscal 2005 Adopted Budget of \$281.7 million. This reduction is a result of a new Medicaid Cap that was enacted in the 2005-06 New York State budget. The cap will take effect on January 2006. It will limit local Social Services District's Medicaid payments to the 2005 calendar year level, as adjusted by a growth rate of 3.5 percent, or actual costs, whichever is lower. In 2006, local Medicaid payments will convert from a payment based on a percentage of unlimited weekly Medicaid expenditures, to a fixed amount to be paid in equal weekly installments.

The amount of the cap is calculated based on a State devised formula. The formula begins with each county's 2005 actual expense, which is currently projected to be \$272 million and makes certain deductions and additions. Included among the deductions are revenues associated with Medicaid, Overburden and Medicaid recoveries. The outcome of the formula is a base level of expense for 2005, which is then used to determine the capped expense level for all future years.

Using the State formula the county has calculated the 2006 Medicaid cap amount to be \$214,609,343. An additional \$2.5 million has been set aside in the Miscellaneous Budget as a reserve in case expenses exceed those budgeted here.



Contractual Services

A new Long Term Home Health Care contract has been included in the Fiscal 2006 Adopted Budget. This contract is for automated case management, and is valued at \$500,000 with an estimated 50-70 percent reimbursement. Additional PINS (Persons In Need of Supervision) funding has also been incorporated into the Fiscal 2006 Proposed Budget. This increase of \$220,000 provides preventive and other supportive services to PINS, ages 16-17 years, through home based services aimed at preventing detention and Foster Care placement.

Purchased Services

The Day Care caseload has decreased 12 percent over last year. Only a minimal increase is needed to cover any market rate increases.

Staffing

The Department's request for staff includes an additional 9 full time positions from the total full time staff as of June 1, 2005. Four employees are to fill top level Administrative positions and five employees were requested for the creation of a scanning unit to photo-image all incoming documents once the contract with Unisys expires. Of these five, three were added to the budget and are considered sufficient for this task. In addition, the department originally requested to bring the number of part time positions back up to the 2005 Budget amount, however it was decided that it was preferable and more productive to add 13 new full time employees rather than the requested 39 part time employees.

Revenues

The Department of Social Services anticipates approximately \$94.7 million in Federal and \$59.2 million in State Aid, plus another \$9.5 million in Department Revenues. The total revenue amount is down from \$258.5 million to \$207.8 million, a reduction of \$50.7 million. This is mainly the result of the Medicaid Cap that will take effect January 2006, which takes Medicaid related revenue and expense out of the department's budget. In addition, approximately \$1.4 million in additional State Aid revenue is being generated as a result of Interdepartmental Service Agreements (ISA's) among Social Services, the Office for the Physically Challenged, the Department of Drug & Alcohol Addiction, Senior Citizens Affairs and the Nassau County Veterans Services Agency. Social Services is eligible to purchase and fund the Information & Referral functions provided by these departments as part of the County's "No Wrong Door" policy, as well as claim State Aid for them. Finally, due to increased state requirements in the area of PINS/Prevention, the Department of Probation will incur new expenses that will be funded by Social Services through an ISA. Social Services will receive approximately \$2.1 million in State Aid reimbursement for these expenditures. More discussion of this situation can be found in the Department of Probation section of this book.



VS - VETERANS SERVICES AGENCY

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	522,698	551,763	264,168	568,144
	BB - EQUIPMENT	46,172	-	-	-
	CC - MATERIALS & SUPPLIES	51	2,350	1,189	-
	DD - GENERAL EXPENSES	1,708	3,200	2,500	5,595
	DE - CONTRACTUAL SERVICES	-	-	-	700
	HF - INTER-DEPARTMENTAL CHARGES	65,603	432,625	-	343,706
Expense Total		636,233	989,938	267,856	918,145
Revenue					
	BF - RENTS & RECOVERIES	21	-	158	-
	BJ - INTERDEPT REVENUES	-	-	-	1,000,000
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	-	33,855	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	-	32,500	32,500	32,500
Revenue Total		21	66,355	32,658	1,032,500

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	9	0	0
2005 Adopted Headcounts	9	0	0

PERFORMANCE INDICATORS: Veteran Services

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
# Of Clients Helped	12,395	13,524	14,000
# Of Services Provided	25,995	24,497	25,000
# Of Claims Opened	436	679	700
Veterans Population	94,953	91,269	87,721
Cash Awards From Dept. Veterans Affairs	\$774,000	\$700,000	\$670,000



VETERANS SERVICES

The Veterans Service Agency serves as an advocate for the veterans on compensation, pension, education and training, vocational rehabilitation, along with additional benefits for survivors, burial and hospital care. The agency provides free transportation for veterans to either the VA hospital in Northport or the VA health clinic in Plainview. The program is manned by 60 to 70 volunteers, who assist the veterans in getting the health care they require. The Veterans Service Agency also assists with federal, state and local benefits, which the veteran may be entitled to receive. Specifically, state benefits may include various tuition assistance awards for both the veteran and the child of the veteran, along with annuities for the veterans or their spouse who may be blind. There are many local benefits that veterans are entitled to, including veterans tax exemption, obtaining documents, assisting with appeals, employment counseling and discharge upgrading.

VISION

The Vision of the Veterans Services Agency, in partnership with the Veterans Affairs both federal and state, as well as other county departments, is to provide all veterans and their dependents the benefits they have earned; strengthen the County's economic base, engender the veterans and Veterans organization trust; expand community outreach; and enhance the quality of life of the Nassau County Veteran Community.

Veterans Services accomplishes its mission as it works to:

- Guide the veteran through the entire procedure from the application to the adjudication and, if necessary, the appeal process.
- Provide invaluable advocacy services for veterans, their spouses and dependents making it easier for claims and earned benefits to be administered and received by the deserving and rightful recipients.

MISSION

The mission of the Veterans Service Agency is to be an advocate for veterans, their spouses and dependents with the U. S. Department of Veterans Affairs, New York State and Nassau County

GOALS

- To allow Veterans who are currently receiving DSS benefits to instead receive VA benefits.
- Transport Veterans to the VA hospital and/or clinic. Educate the Veterans and their families on their Veteran's Benefits. File claims for the Veteran and/or family to increase the dollar amount received by Nassau County Veterans.
- To be able to represent Veterans at the U.S. Court of Appeals for Veterans claims (CAVA).

**2006 BUDGET HIGHLIGHTS**

The Fiscal 2006 Adopted Expense Budget for Veterans' Services is \$918,145 with a full time headcount of nine. Its revenue of \$1,032,500 is mainly interdepartmental revenue resulting from the Department of Social Services' use of this department as an Information and Referral resource. This is in line with County's "No Wrong Door" Policy.





YB - NASSAU COUNTY YOUTH BOARD

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	514,490	554,486	292,958	519,239
	DD - GENERAL EXPENSES	480	1,725	200	11,800
	DE - CONTRACTUAL SERVICES	7,364,861	7,366,394	7,102,996	8,676,823
	HF - INTER-DEPARTMENTAL CHARGES	48,995	593,777	-	599,952
Expense Total		7,928,825	8,516,382	7,396,154	9,807,814
Revenue					
	BF - RENTS & RECOVERIES	115,313	-	26,358	-
	BJ - INTERDEPT REVENUES	(8,399)	-	-	-
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	50,000	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	1,599,555	1,599,310	425,164	1,523,333
Revenue Total		1,756,468	1,599,310	451,523	1,523,333

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	7	0	0
2005 Adopted Headcounts	7	0	0

PERFORMANCE INDICATORS: YOUTH BOARD

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Contract Management and Assessment			
# Of Contacts (Calls, Written Assessments, etc.) with Contract Agencies or Vendors	1,385	1,490	1,550
Community Service Learning			
# Of Youths Participating Within Three Programs	70	70	60
Grant Application and Development			
# Of Grant Applications Written By Department	21	19	20
School/Community Collaborations			
# Of Youths Serviced Through Various Programs	1500	1500	1500
Information and Referral			
# Of Referral to Other Departments and Other Organizations	400	500	700
Summer Lunch Program			
# Of Lunches Served	78,635	73,194	73,194
Staff Development and Training			
# Of Professional Development Trainings	10	10	10
# Of Staff Members Attending Training	800	800	800



YOUTH BOARD

The Nassau County Youth Board, now in its 40th year, was created to plan for, monitor, research, evaluate and cultivate youth and family development resources throughout Nassau County. Services are offered through a network of community-based organizations strategically located in communities of greatest need throughout Nassau County. Each not-for-profit contract agency has its own local, non-salaried governing board, which is responsible for the agency's programs and fiscal soundness. Approximately 45,000 young people and their families are served on a regular basis by the Youth Board and over 100,000 lives are touched each year. Youth Board serves as a leader within the County in terms of community-based development, advocacy, community-driven planning, research and program development. Throughout the rich history of the Youth Board, issues have been identified and addressed prior to becoming epidemic in proportion.

VISION

The Nassau County Youth Board has had a long and rich history in supporting youth and family development services throughout Nassau County. Part of the effectiveness of this Department has been the ability to grow and adapt to changing fiscal and demographic climates with the support of the County Administration. In five years, the Youth Board looks forward to enhancing this service network, developing the resources necessary to meet growing and emerging needs and finding the means to support the critical infrastructures necessary to realize this vision.

The Youth Board's effectiveness in achieving its mission is based upon the following elements:

- **Mandated Volunteer Policy Making Board** comprised of residents, business and ex-officio government representatives.
- **Neighborhood based:** allows optimum access of youth and families to a variety of services and systems.
- **Well established relationships** with agencies, community based resources, funders, government and school districts throughout Nassau County and New York State.
- **Cost-effective:** costs per youth are less than \$114 per youth, per year as compared to more costly alternatives- placement, incarceration which cost as much as \$70,000 per year per youth.
- **Proactive** through county comprehensive planning, research and active involvement with neighborhood based structures, needs and programs are planned and implemented as trends are identified.

MISSION

The mission of the Nassau County Youth Board is to promote self-esteem, positive values and morals, citizenship, dignity, as well as physical, social, and mental well-being among the youth of Nassau County through youth and community development. Our guiding principles are empowering youth, strengthening families, creating healthy alternatives, developing communities and establishing partnerships and service integrations.



- **Broker/facilitator:** between government, municipalities, civic groups, community based agencies and funders to design, implement/advocate for youth and family development opportunities. More than \$5,395,029 is currently leveraged with the Nassau County Youth Board and its youth and family development network for new and increased programs to provide critically needed after school, juvenile justice, runaway/homeless, domestic violence and gang prevention services throughout Nassau County.
- **Magnet:** for State, Federal and private funding. As a well-established, experienced neighborhood-based network, a solid foundation is in place for new program areas.
- **Experienced:** in the provision of youth and family development services. Youth Board staff has been there a median of 17 years and the vast amount of agencies have operated in communities at least 25 years. Youth Board has also served in an advisory capacity to many state initiatives funded in the areas of planning, runaway/homeless youth services, juvenile justice, teen pregnancy/HIV risk reduction and community service learning. Positioned to address the current issues facing Nassau County including the rise in youth gangs and the growing diversity of Nassau County's population.
- **Empowerment Model:** In its program and community development, Youth Board has always cultivated the resources and assets of people and communities. People are invested in services and contribute greatly to their success. It is estimated that over \$2 million in volunteer time is provided within this network.

The predominant philosophy within the mission statement of Youth Board is the importance of opportunities for young people to learn and grow within communities that represent the kind of world in which they live. To provide support and replicate programs that work, experiment with initiatives, cross systems programming and build capacity for programs for youth most in need. Our focus on advocacy creates opportunities for young people within a culture of responsibility, service and citizenship through the development of partnerships among government, the non-profit sector, schools, businesses, and other community organizations.

The vision and mission of the Youth Board is supported by the following units whose functions are:

Administration

Provides oversight to all components of the department's operations and protocols. The Executive Director interprets and implements Youth Board policies and programs to appropriate bodies and negotiates with funding sources at local, state (New York State Office of Children and Family Services) and federal levels. Administration services a twenty-eight member policy making Board of which twenty are voting members and eight are ex-officio.

Planning

The functions of this Unit, while extremely important to the work of the Youth Board, have been limited due to a lack of Planning staff. The work of the Planning Unit includes collecting and maintaining all research and planning data files, conducting special research projects, management and regular updating of community statistical profiles, providing technical support to other Youth Board staff and contract agencies on needs assessments and research issues, and the coordination of Youth Offense Data System from its collection to the elimination of duplicate record to create a unified youth offense data file to the regular analysis of youth offense data. In addition, the Youth Board must in the prepare the New York State County Comprehensive Plan for Youth Services, the annual update and technical assistance in the development of grant applications which has always been a function of the Planning Unit.



Development, Training and Legislative Advocacy

The major functions of this unit include the search, identification, development and acquisition of grants through private and government sources to sustain and develop youth and family development programs in the communities identified for service needs in Nassau County. The Unit is also responsible for overseeing and developing training programs for contract agencies and Youth Board's special initiatives. It also performs the advocacy role in the identification of service needs and legislation for young people and their families on a number of levels including to elected officials, community groups and funding sources.

Program Management

This Unit Administers the major components of contract management which includes processing all requests for funding including new and renewal contracts, conducting on-site monitoring of all funded programs, conducting and preparing assessment and evaluation reports for use by staff and Board in making funding decisions, providing technical assistance to contract agencies, administering the Collaborations Initiative for program operation and fiscal soundness and the Runaway/Homeless Youth, Juvenile Justice and Youth Employment Initiatives. The unit provides direct supervision for the only direct services operated by the Youth Board which are the Youth Adult Participation Project, Youth Council and CONNECTIONS Initiative and all other new grants administratively operating from the Youth Board. This Unit serves as the administrative liaison between Nassau County and the New York State Office of Children and Family Services in the allocation of municipal funds. In order to maintain State Aid for youth services for the County, Cities of Glen Cove and Long Beach, Towns of Hempstead, North Hempstead and Oyster Bay and all other municipal villages, this Unit prepares a three year Planning Agreement with annual updates in cooperation with the aforementioned municipalities.

Recognizing that an alarming but consistent trend across Nassau County communities is the rise in violent behavior and that community-based agencies are encountering more and more young people who are becoming attracted to or are involved with youth gangs, the funding was set aside in the 2004 budget for the Youth Violence and Gang Prevention/Intervention Initiative. Nine projects were funded with the intent of developing collaborative efforts and services to prevent/intervene with youth violence and gangs throughout Nassau County. Six of these projects will be funded in 2006 to continue this work. Two additional projects were funded in 2005 for the purpose of employment preparation, skills development and employment for gang related youth. Two projects will be funded for community education related to bullying, youth violence and gang prevention/intervention and training and technical assistance to support community-based mentoring programs.

Fiscal

The major functions of this unit include administrative responsibility for the development and implementation of federal, state and County contracts and budgets that includes the fiscal management, accounting, auditing, preparing vouchers, budget amendments, execution and maintenance of agency contracts and state and federal grants, preparation of the State Aid application for funding to Nassau County. Staff analyzes financial statements of contract agencies to determine the fiscal health of that agency and provides technical assistance when necessary. Under the direction of the Executive Director, staff prepares the Youth Board's annual county budget within the concept of fiscal economy.



GOALS

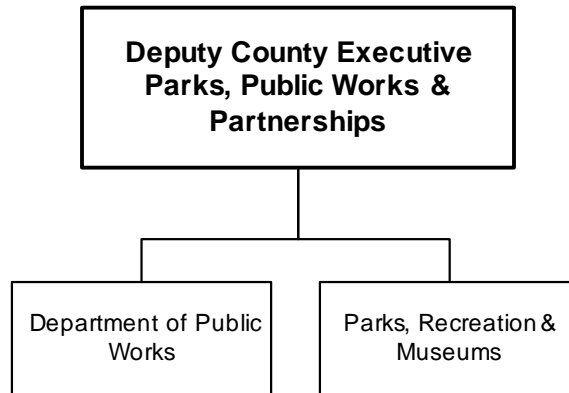
- To assure delivery of quality services to young people and families through youth services that empower youth, develops skills, strengthens families, creates healthy alternatives, develops communities, and establishes partnerships and service integration.
- To strengthen, support and replicate programs that work, experiment with initiatives, and develop a collective approach which coordinates all environments; family, education, employment, health, criminal justice, runaway/homeless etc., with particular attention to the rapidly growing diversity of Nassau County's population.
- To serve as a broker to contract agencies, municipalities, other county departments and not-for-profit youth service agencies to plan, access and implement programs and activities designed to strengthen and maximize cross systems approaches to planning, collaboration and coordination of youth development services and programs throughout Nassau County.
- To promote and advocate on a local, state and federal level for legislation, public policy, initiatives and funding that addresses the needs and priorities of young people and their families which will nurture our young people and encourage their growth as competent members of the larger society both now and as adults.
- To maintain the programmatic and fiscal accountability of all contract providers through ongoing assessments, evaluations accounting functions. Special focus remains on accountability for expenditures of all public dollars.
- To administer all facets of the Department resourcefully and effectively through planning, community/program development, grant development, training, staff and board development and special projects.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget of the Nassau County Youth Board is \$9.8 million. This includes \$519,000 in salaries for a staff of seven full time employees. The Youth Board funds a myriad of youth and family development programs through 36 community based agencies in designated communities of greatest need throughout the County. The largest programs are in the Runaway/Homeless System operated by the Family & Children's Association and Long Island Crisis Center, which provides emergency housing, transitional housing, mediation, clothing, meals, medical, educational, substance abuse services and a 24 hour hotline. The department also oversees the Youth Violence and Gang Prevention/Intervention Initiative, for which funding was increased by \$100,000 in 2006. Projects were funded in designated communities as well as communities of proven need with the intent of developing collaborative efforts and services to prevent/intervene with youth violence and gangs throughout Nassau County. Contractual services increased by approximately \$1.3 million from 2005 to 2006, mainly due to the decision to provide greater funding to Health and Human Services departments for recurring and non-recurring programs, as well as for changes and improvements to the vertical's basic infrastructure. The departments and the vertical management will work together to distribute these funds in the way that best services the County and its residents. In the case of the Nassau County Youth Board, \$1.1 million was added, with \$300,000 devoted to recurring expenses, \$400,000 for non-recurring expenses and \$400,000 to infrastructure purposes. The remaining increase was from \$50,000 added for the Help End Violence Now Program (HEVN), and a small inflation factor from the prior year.

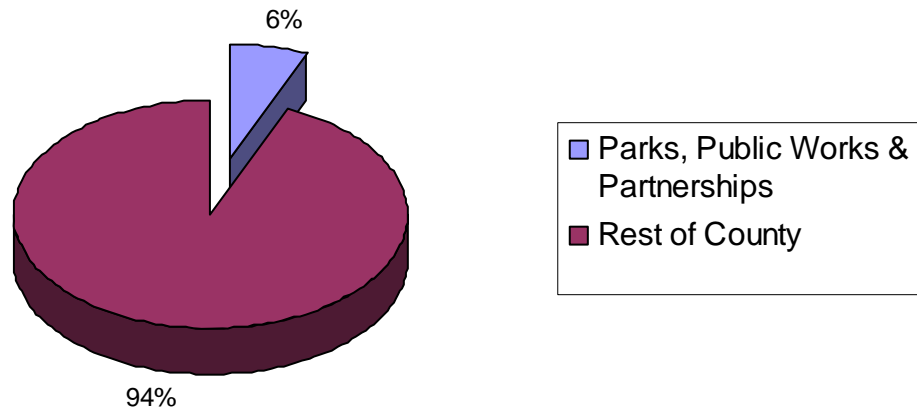


PARKS, PUBLIC WORKS AND PARTNERSHIPS VERTICAL

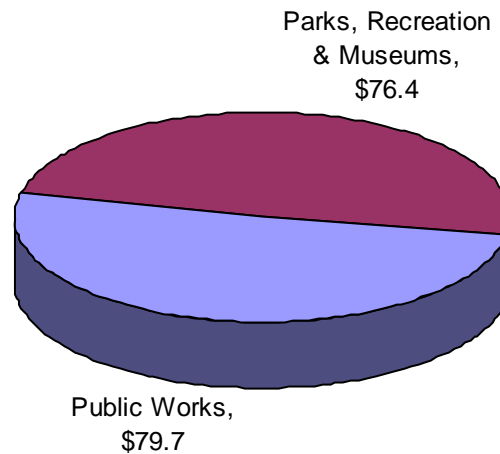




Parks, Public Works and Partnerships Expenses as % of Total Expenses



Parks, Public Works and Partnerships Vertical





PARKS, PUBLIC WORKS AND PARTNERSHIPS VERTICAL

The Parks, Public Works and Partnerships Vertical is comprised of two major departments, the Department of Public Works and the Department of Parks, Recreation and Museums.

Department of Public Works

The Department of Public Works (DPW) comprises of approximately 835 employees working within three Functional Areas identified as: Administration; Engineering and Operations. In addition, the Department has developed a Capital Project Planning Section to plan, develop and manage all capital projects within the scope of the Multi-Year Capital Plan.

The three areas are responsible for the following: design, construction, repair, maintenance, cleaning and snow/ice control along all roadways and bridges under the jurisdiction of the County; design, construction and maintenance of all buildings and structures under the control of the County; performance of traffic surveys on all County roadways including recommendations for all signs, signals and other devices for direction and control of traffic; supervision over the design, construction and maintenance of all County buildings, parks and grounds, drains and drainage structures and of sewers, sewage disposal plants, groundwater remediation systems, traffic signal systems and other structures built for the County. The Department operates with two major funding sources, the General Fund and the Sewer and Storm Water District Fund.

Department of Parks, Recreation and Museums

For the enjoyment and benefit of County residents and tourists, the Nassau County Department of Parks, Recreation & Museums manages a total of 83 parks, preserves, museums, historic properties and athletic facilities comprising 6,000 acres. Patrons can enjoy a variety of recreational activities from archery to volleyball at the County's sixteen active parks, which includes seven golf courses, two marinas, an athletic complex, a world-class natatorium and numerous fields, courts and playgrounds.

VISION

The Parks, Public Works and Partnerships Vertical serves Nassau County's citizens and business community by building and maintaining a County infrastructure and parks system that is safe and enjoyable to live, work and play in. The Vertical is governed by leadership that provides affordable quality services along with a mandate to sustain and promote a healthy community and ensure preservation of our natural resources.

MISSION

The mission of the Parks, Public Works and Partnerships Vertical is to achieve excellence in the delivery of essential services such as planning, designing, constructing, managing, operating and preserving Nassau County's network of infrastructure, transportation, and natural resources. The Vertical performs this mission while maintaining and enhancing the economic, social and cultural vitality of all our citizens. This Vertical also provides for the recreational and cultural interest of the residents of Nassau County. This includes providing stewardship for the 6,000 acres of parkland, preserving and opening historic homes to the public, conducting concerts and other events throughout the year and maximizing recreational enjoyment at a reasonable cost and in a safe and clean environment.



The Department also offers cultural, historical and environmental conservation programs and exhibits at its ten museums and eight preserves. Residents and visitors of all ages have the opportunity to appreciate priceless works of art at the Roslyn Fine Arts Museum; experience 19th Century life at Old Bethpage Village Restoration; learn more about Long Island's role in the history of air travel at the Cradle of Aviation Museum; and discover the varied natural habitats of Long Island at the Tackapausha Museum and Preserve. Last, but not least, the Department helps to sustain communities by maintaining a number of neighborhood passive park facilities that serve to preserve open space within the more densely populated areas of the county.

In order to support the County Executive's vision and Department's mission, Parks, Recreation and Museums is organized into five divisions: Administration, Grounds and Equipment Maintenance, Recreation Services, Museum Services and Golf.

Administration is the division responsible for planning, policy making, and administrative support. The Administration Division directs and coordinates the Department's operational resources to achieve the stated mission. In addition to the Commissioner, other functional units within Administration include: Personnel, Payroll, Budget and Planning, Public Information and Special Events. These units help to procure goods and services; coordinate and promote department sponsored events; develop partnerships with community based not-for-profit organizations and private businesses; and, sanction group use of parks through the issuance of various permits.

The Grounds and Maintenance Division is responsible for maintaining all County parks, museums and preserves. The Division provides basic technical support and repair services and liaises with the Department of Public Works staff for intensive technical support needs. Direct responsibilities include maintaining athletic fields, mowing, garbage removal, tree planting and pruning and general outdoor maintenance of benches, marinas, mini-golf, sidewalks, bathroom repairs, etc.

The Recreation Services Division is responsible for all recreational programming in the Parks. Recreation staff open and operate ice rinks, beaches and pools and other park facilities; they offer or coordinate lessons for swimming, skating, hockey and tennis; and help staff special events like the Long Island Marathon and the Long Island Fair.

Cultural and educational programming is provided through the Museum Services Division. The County's museums and historic properties offers residents and visitors a diverse range of programming with concentrations on geology, the environment and wildlife, African-American history, living history of early American life and Long Island's role in American History and aviation. It preserves and interprets Long Island's natural and historic heritage for the general public and school groups through exhibits and programs. The County has five affiliate museums: the Roslyn Fine Arts Museum, the Children's Museum, the Cradle of Aviation, the Holocaust Museum, and the Hewlett House. These museums are located in County owned properties and run by not-for-profit boards, for the benefit of the public.

The Department's Golf Division is responsible for golf course maintenance, operations and related programming. Staff manages and maintains seven golf courses, three eighteen-hole courses at Eisenhower with a double ended driving range and four nine-hole courses, two of which have driving ranges and pro-shops. The Golf Division offers group teaching professional services through the First Tee program and personalized instruction for a fee. The crown jewel of the County's golf program is



the Red Course at Eisenhower Park, which has played host to a PGA Champions Tour event since 2003.

VERTICAL GOALS

- Maintain and build upon achievements of the Parks “Come Back” initiative.
- Introduce a continuous training program for all areas of the Department’s operations, including customer service, management and maintenance.
- Seek new and continuous sources of non-tax levy funding to expand and improve park programming.
- Provide clean, beautiful and desirable parks by developing and adopting standards for cleanliness, safety and other conditions that impact park use. Such standards will compliment the new park inspection system.
- Measure public opinion of current programming and identify highly desirable programs that lead to increased utilization of parks and park facilities.
- Introduce new and economically sustainable programming for the benefit of residents.
- Research and begin implementing best practices for the administration and operation of parks and public programs.
- Pursue public/private partnerships that enhance the park experience.
- Expand the use of concessionaires in the revenue improvement program.
- Improve the appearance of street corridors and public places to increase the attractiveness and standard of living in our county.
- Demonstrate exemplary environmental stewardship.
- Enhance museum and cultural programs at the County’s museum facilities.
- Increase consolidation and transfer efforts related to select park facilities with Town and Village municipalities.
- Continue to assure the safety and well being of the County’s residents on its 2,000 lane miles of County-owned roadways, its fifty two fixed bridges, two draw bridges and with its traffic control network consisting of over 1,600 traffic signals.
- Continue to provide quality services to over 85 percent of the County’s population by operating and maintaining two major wastewater treatment plants, thirty seven pump stations, over 600 recharge basins and 200 miles of streams and drainage ditches.
- Serve the public by monitoring groundwater quality through its network of 500 groundwater-monitoring wells.
- Increase the efforts related to transferring County roads to Town and Village municipalities.
- Monitor capital spending for compliance with the monthly spending plan, and further develop the capital project planning information system.
- Implementation of an Energy Savings Program coordinated through the New York Power Authority, to reduce utility costs and improve energy efficiency.
- Pursue and secure additional Federal and State funding for various projects.
- Improve the quality of maintenance to County facilities.
- Maintain the preventive maintenance program for County roads.



- Work with Real Estate, Planning and Development in creating a better and more efficient and effective work environment.
- Update and/or provide essential training to DPW personnel. Install Keyspan Energy Management systems to reduce overtime and improve energy management efficiencies.
- Continue the coordination of the Countywide Storm Water Program to protect groundwater and surface waters in accordance with existing Federal and State regulations.
- Continue design and construction of improvements at Bay Park and Cedar Creek Plants and rehabilitation of Pump Stations.
- Engage the services of a firm to audit past utility bill payments for verification of correct amounts and reimbursements of any over billings at no out of pocket cost.



DEPARTMENT OF PARKS, RECREATION & MUSEUMS



PARKS, RECREATION AND MUSUEMS FUND

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	17,007,573	18,903,012	8,233,723	19,442,234
	AB -FRINGE BENEFITS	7,810,680	10,064,998	5,840,243	10,263,153
	BB -EQUIPMENT	446,354	1,113,700	1,042,170	367,000
	CC -MATERIALS & SUPPLIES	740,897	1,528,200	1,270,675	-
	DD -GENERAL EXPENSES	636,812	830,500	507,617	1,851,300
	DE -CONTRACTUAL SERVICES	2,426,646	4,298,000	2,159,528	8,870,000
	HD -DEBT SERVICE CHARGEBACKS	20,374,988	18,349,426	-	17,736,093
	HF -INTER-DEPARTMENTAL CHARGES	15,657,258	16,315,095	-	17,897,683
Expense Total		65,101,207	71,402,931	19,053,956	76,427,463
Revenue					
	AA -FUND BALANCE	-	-	-	-
	BD -FINES & FORFEITS	100	-	100	-
	BE -INVEST INCOME	45,854	45,000	171,570	250,000
	BF -RENTS & RECOVERIES	1,119,217	1,490,000	588,709	1,416,300
	BG -REVENUE OFFSET TO EXPENSE	-	250,000	-	511,360
	BH -DEPT REVENUES	14,097,539	20,349,350	6,218,052	17,106,874
	IF -INTERFD TSFS - INTERFUND TRANSFERS	7,623,296	-	-	5,000,000
	TL -PROPERTY TAX	43,577,327	48,293,581	48,293,581	51,167,929
	TX -SPECIAL TAXES- SPECIAL TAXES	195,084	975,000	56,893	975,000
Revenue Total		66,658,416	71,402,931	55,328,905	76,427,463

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	269	228	545
2005 Adopted Headcounts	263	194	942

PERFORMANCE INDICATORS: PARKS DEPARTMENT

Indicator	2004 Actual Measure	Projected 2005 Measure	Target 2006 Measure
Aquatic Center - (Leisure, Lifestyle, Rooms, Lessons, Swimming Pools)			
Attendance (#)	358,560	418,560	450,000
Revenue (\$)	\$ 1,161,189	\$ 1,525,000	\$ 1,585,000
Nassau County Golf (All Facilities)			
18 Hole Rounds (Represents 2 Nine Hole Rounds)	194,177	185,000	198,000
Revenue (\$)	\$ 4,228,217	\$ 4,600,000	\$ 5,200,000



DEPARTMENT OF PARKS, RECREATION & MUSEUMS

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VISION

Nassau County Parks will provide standard-setting stewardship of parks and natural areas. We will promote health, fitness, and well being through world-class cultural and recreational facilities and programs. Our parks will provide remarkable, fulfilling, and memorable leisure experiences.

MISSION

Our mission is to work with citizens, non-profit partners, and other government agencies to provide and maintain the highest quality parks, programs, recreational and cultural facilities of any county in the country.

In order to support the County Executive's vision and Department's mission, Parks, Recreation and Museums is organized into five divisions: Administration, Grounds and Equipment Maintenance, Recreation Services, Museum Services and Golf.

Administration is the division responsible for planning, policy making, and administrative support. The Administration Division directs and coordinates the Department's operational

resources to achieve the stated mission. In addition to the Commissioner, other functional units within Administration include: Personnel, Payroll, Budget and Planning, Public Information and Special Events. These units help to procure goods and services; coordinate and promote department sponsored events; develop partnerships with community based, not-for-profit organizations and private businesses; and, sanction group use of parks through the issuance of various permits.

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GOALS

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- Introduce a continuous training program for all areas of the Department's operations, including customer service, management and maintenance.
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- Research and begin implementing best practices for the administration and operation of parks and public programs.
- Pursue public/private partnerships that enhance the park experience.
- Expand the use of concessionaires in the revenue improvement program.
- Improve the appearance of street corridors and public places to increase the attractiveness and standard of living in our county.



- Demonstrate exemplary environmental stewardship.
- Enhance museum and cultural programs at the County's museum facilities.
- Increase consolidation and transfer efforts related to select park facilities with Town and Village municipalities.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Expense Budget for Parks, Recreation and Museums totals \$76.4 million which represents an increase of \$5.1 from the 2005 Adopted Budget. In 2005, the County invested in a coordinated campaign to revitalize the aging Parks infrastructure, which had long been neglected. The adopted budget continues to support this effort while also supporting a new effort to rejuvenate the County's museums. The increase also supports new staff for improved internal controls for cash management at all department facilities. Other than personnel services expenses will total \$11.1million, less interfund and interdepartmental charges, which is an increase of \$3.3 over the 2005 Adopted Budget. This increase will support facility improvements in the County's museum facilities.

The Fiscal 2006 Adopted Revenue Budget for the Parks, Recreation and Museums totals \$76.4 million. This represents a \$5.1 million increase from the 2005 Adopted Budget of \$71.4 million. This increase however will be supported by an increased allocation of property tax levy as the adopted department revenue budget is \$3.2 million less than the 2005 adopted budget. This situation is attributable to delays in implementing revenue initiatives which are expected to be achieved in future years.

DEPARTMENT OF PUBLIC WORKS



PW - PUBLIC WORKS DEPARTMENT

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	33,178,473	37,202,238	18,488,804	36,306,496
	AB - FRINGE BENEFITS	-	-	78	-
	BB - EQUIPMENT	352,176	484,514	49,584	351,319
	CC - MATERIALS & SUPPLIES	4,320,905	4,155,680	2,286,807	-
	DD - GENERAL EXPENSES	776,099	490,827	393,734	4,813,753
	DE - CONTRACTUAL SERVICES	8,432,701	8,366,954	5,023,391	7,909,580
	DF - UTILITY COSTS	23,550,459	24,268,128	17,402,537	25,299,239
	HF - INTER-DEPARTMENTAL CHARGES	4,146,811	7,386,078	-	5,034,950
	OO-OTHER	-	-	(550,097)	-
Expense Total		74,757,625	82,354,419	43,094,838	79,715,337
Revenue					
	BC - PERMITS & LICENSES	235,345	390,000	182,443	182,000
	BF - RENTS & RECOVERIES	333,064	-	108,492	-
	BH - DEPT REVENUES	888,722	870,000	980,503	865,000
	BI - CAP BACKCHARGES	2,548,186	5,440,000	(711,270)	4,570,240
	BJ - INTERDEPT REVENUES	20,788,974	23,343,217	-	15,644,974
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	5,574,320	-	7,000,000
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	415,685	-	-	440,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	-	55,000	362,285	-
Revenue Total		25,209,975	35,672,537	922,452	28,702,214

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	540	44	145
2005 Adopted Headcounts	567	33	155

PERFORMANCE INDICATORS: DPW

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Treatment Plants			
<u>Bay Park Sewage Treatment Plant</u>			
TSS/CBOD Removal Percentage	94.8%	93.0%	85.0%
<u>Cedar Creek Water Pollution Control Plant</u>			
TSS/CBOD Removal Percentage	93.7%	93.0%	85.0%
Highway Road Maintenance			
Potholes Repaired	36,823	40,000	40,000
Sand and Salt on Roadways	22,518	27,000	27,000
Building Maintenance			
Work Order at Facilities	7,374	6,300	6,300



DEPARTMENT OF PUBLIC WORKS

The Department of Public Works (DPW) comprises of approximately 835 employees working within three Functional Areas identified as: Administration; Engineering and Operations. In addition, the Department has developed a Capital Project Planning Section to plan, develop and manage all capital projects within the scope of the Multi-Year Capital Plan. The three areas are responsible for the following: design, construction, repair, maintenance, cleaning and snow/ice control along all roadways and bridges under the jurisdiction of the County; design, construction and maintenance of all buildings and structures under the control of the County; performance of traffic surveys on all County roadways including recommendations for all signs, signals and other devices for direction and control of traffic; supervision over the design, construction and maintenance of all County buildings, parks and grounds, drains and drainage structures and of sewers, sewage disposal plants, groundwater remediation systems, traffic signal systems and other structures built for the County. The Department operates with two major funding sources, the General Fund and the Sewer and Storm Water District Fund.

VISION

The Department of Public Works serves Nassau County's citizens and business community by being committed to continuously improving the County's infrastructure, protecting the environment and providing a community that is safe and enjoyable to live and work in.

GOALS

- Continue to assure the safety and well being of the County's residents on its 2,000 lane miles of County-owned roadways, its fifty two fixed bridges, two draw bridges and with its traffic control network consisting of over 1,600 traffic signals.
- Continue to provide quality services to over 85 percent of the County's population by operating and maintaining two major wastewater treatment plants, thirty seven pump stations, over 600 recharge basins and 200 miles of streams and drainage ditches.
- Serve the public by monitoring groundwater quality through its network of 500 groundwater-monitoring wells.
- Increase the efforts related to transferring County roads to Town and Village municipalities.
- Monitor capital spending for compliance with the monthly spending plan, and further develop the capital project planning information system.

MISSION

The mission of the Department of Public Works (DPW) is to achieve excellence in the delivery of essential services such as planning, designing, constructing, managing, operating and preserving Nassau County's network of infrastructure, transportation, and natural resources.



- Implementation of an Energy Savings Program coordinated through the New York Power Authority, to reduce utility costs and improve energy efficiency.
- Pursue and secure additional Federal and State funding for various projects.
- Improve the quality of maintenance to County facilities.
- Maintain the preventive maintenance program for County roads.
- Work with Real Estate, Planning and Development in creating a better and more efficient and effective work environment.
- Update and/or provide essential training to DPW personnel. Install Keyspan Energy Management systems to reduce overtime and improve energy management efficiencies.
- Continue the coordination of the Countywide Storm Water Program to protect groundwater and surface waters in accordance with existing Federal and State regulations.
- Continue design and construction of improvements at Bay Park and Cedar Creek Plants and rehabilitation of Pump Stations.
- Engage the services of a firm to audit past utility bill payments for verification of correct amounts and reimbursements of any over billings at no out of pocket cost.

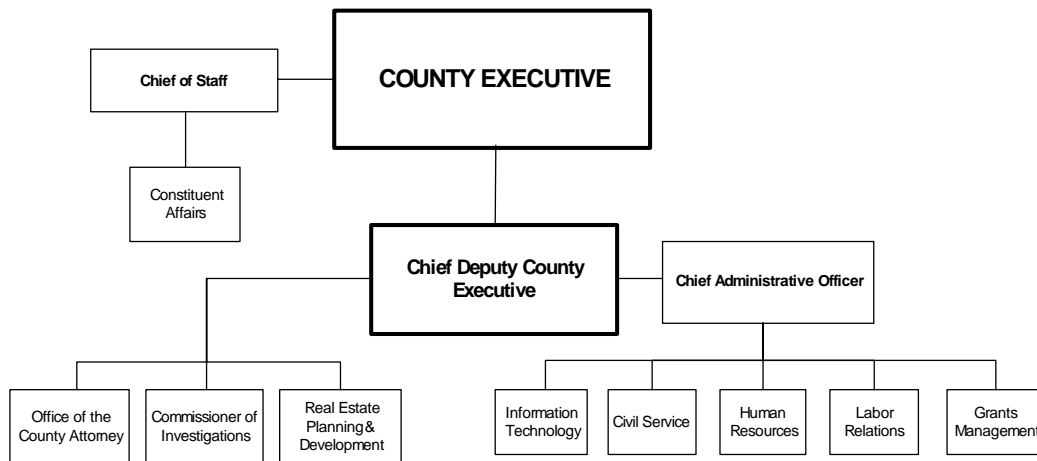
2006 BUDGET HIGHLIGHTS

The Adopted Fiscal 2006 Expense Budget for the Department of Public Works totals \$79.7 million. The \$2.6 million decrease from the 2005 Adopted Budget includes the transfer out of the Police Building Maintenance Unit. The impact of this transfer decreases the department's salary requirements as well as the departments other-than personnel services budgets. Areas of significant increase in other than personal services expenses include all petroleum based product commodities in general expenses and utility expenses, as the increased cost of oil and natural gas continues to escalate each year. In response to the situation, DPW has initiated a New York Power Authority Energy Services Program which will save the County over \$840,000 in 2006. However, with the recent events impacting US energy markets, utilities and motor fuel budgets will have to be closely monitored and additional conservation initiatives implemented.

The Adopted Fiscal 2006 Revenue Budget for the Department of Public Works totals \$28.7 million. This decrease from the 2005 Adopted Budget is due to a reduction in interdepartmental chargeback revenue as most general fund departments will not be charged with building occupancy costs in 2006. The adopted budget also includes revenue for various infrastructure-related fees, permits and licenses; various plan reviews, and an interfund chargeback for cost reimbursement of Trigen and LIPA costs used by Nassau Community College.

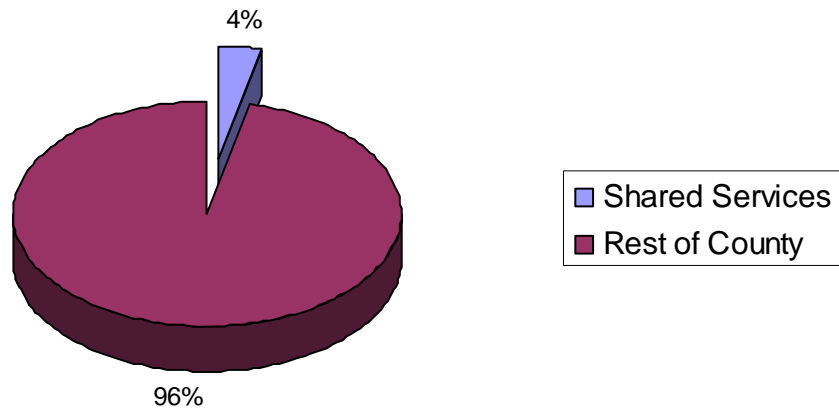


SHARED SERVICES VERTICAL

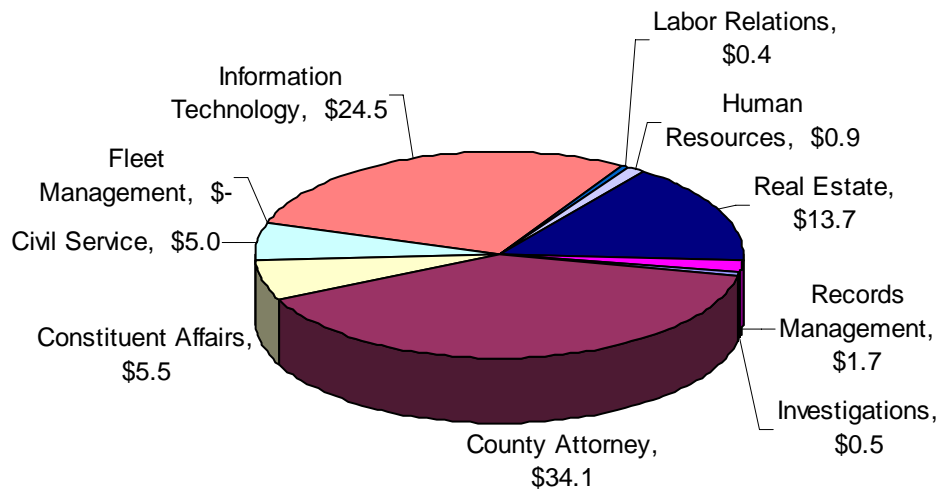




Shared Services Expenses as % of Total Expenses



Shared Services Vertical





SHARED SERVICES VERTICAL

Shared Services includes departments and cost centers that provide support services to all departments in the County. The shared services departments and cost centers include; Civil Service Commission, County Attorney, Dept. of Investigations, Human Resources, Information Technology, Labor Relations, Real Estate Planning and Development, Constituent Affairs & Press Office and Records Management.

Given the large variation in functions of these departments a single vision mission statement has not been constructed. Individual department vision and mission statements are included.

DEPARTMENT OF INVESTIGATIONS



AC - DEPARTMENT OF INVESTIGATIONS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	350,339	358,194	147,676	414,078
	BB -EQUIPMENT	2,599	8,750	62	7,000
	CC -MATERIALS & SUPPLIES	1,486	10,138	147	-
	DD -GENERAL EXPENSES	-	20,650	1,992	19,600
	DE -CONTRACTUAL SERVICES	16,013	53,875	-	54,317
	HF -INTER-DEPARTMENTAL CHARGES	25,444	80,311	-	-
Expense Total		395,881	531,918	149,876	494,995
Revenue					
	BF -RENTS & RECOVERIES	149	500,000	-	-
Revenue Total		149	500,000	-	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	6	0	0
2005 Adopted Headcounts	4	2	0



DEPARTMENT OF INVESTIGATIONS

The Commissioner is responsible for:

- The identification, investigation and remediation of internal fraud, waste, and abuse that affects the County's finances, programs or services.
- The identification, investigation and remediation of fraudulent activities or improper billing by contractors, vendors and consultants with whom the County does business.

VISION

The Commissioner of Investigations works to ensure the highest level of integrity and efficiency within all facets of County operations, including the County's dealings with contractors, vendors and consultants.

By designation of the County Board of Ethics, currently the Commissioner also administers the Financial Disclosure program.

GOALS

- Reduce instances of fraud, waste and abuse in County agencies and departments.
- Reduce employee tolerance of fraud, waste and abuse in the workplace.
- Recover any identified improper payments from contractors, vendors and/or consultants.
- Recommend controls and procedures that will reduce opportunities for fraud, waste and abuse in County operations.
- Continue efforts to increase awareness on the part of employees and the general public of the Commissioner's role, and the availability of the complaint process, through posters and other broad-based communications including the media.
- Review, analyze and take timely appropriate action on complaints received.
- Continue to identify and review contracts/projects with outside contractors, vendors and consultants that are at high risk for errors in billing.

MISSION

The Commissioner of Investigations identifies instances of fraud, waste and abuse affecting County government by using the authority granted by the County Charter to investigate the practices of County agencies and those who work for, do business with, or receive benefits from the County. The Commissioner advises the County regarding the remediation of fraud, wasteful practices or abuse of authority and, when appropriate, refers her findings to the District Attorney for possible criminal prosecution.



2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Expense Budget for the Department of Investigations totals \$495,000. This reflects an increase of \$43,388 from the 2005 Adopted Budget (excluding interdepartmental chargebacks). This is due to the addition of two full time investigators to increase Medicaid and Workers Compensation fraud investigations. The increase is partially offset by the elimination of two part time positions. Other than personal services expenditures reflects a reduction of \$12,496 to reflect revised departmental needs.

The Fiscal 2006 Adopted Revenue Budget has been eliminated in 2006 as the potential revenue associated with fraud and other recoveries will not be captured in this department. The Office of the County Attorney will be the primary agency collecting this kind of revenue.





AT - COUNTY ATTORNEY

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	9,621,407	9,980,284	5,147,418	10,895,225
	AB -FRINGE BENEFITS	19,182,404	15,802,040	11,484,286	17,556,055
	BB -EQUIPMENT	118,862	53,000	26,504	54,059
	CC -MATERIALS & SUPPLIES	29,972	30,375	19,280	-
	DD -GENERAL EXPENSES	402,158	434,000	411,177	714,500
	DE -CONTRACTUAL SERVICES	5,642,743	3,355,075	2,445,119	3,350,000
	HF -INTER-DEPARTMENTAL CHARGES	86,186	1,303,489	-	-
	OO-OTHER	1,753,926	1,500,000	1,393,894	1,500,000
Expense Total		36,837,659	32,458,263	20,927,677	34,069,839
Revenue					
	BF -RENTS & RECOVERIES	7,385,651	5,050,000	1,201,143	2,820,000
	BH -DEPT REVENUES	122,417	110,000	61,191	110,000
	BJ -INTERDEPT REVENUES	7,833,559	8,661,930	-	9,332,389
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	(23,575)	225,000	-	228,375
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	(6,071)	60,000	-	61,200
Revenue Total		15,311,981	14,106,930	1,262,334	12,551,964

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	158	4	3
2005 Adopted Headcounts	150	4	9

PERFORMANCE INDICATORS: COUNTY ATTORNEY

Indicator	Actual 2004 Measure	Projected 2005 Measure	Target 2006 Measure
Outsourced Legal Counsel Expenses	\$ 4,218,000	\$ 2,140,000	\$ 3,100,000
# of Motions Made	N/A	150	190
# of Trials by Jury	N/A	16	22
# of 50-h Hearings (A deposition that follows the filing of a Notice of Claim)	N/A	218	255



OFFICE OF THE COUNTY ATTORNEY

The County Attorney's Office is treated as consisting of two divisions: County Attorney; and Workers' Compensation.

In order to support its vision and mission, the 11 bureaus in the County Attorney's Office are as follows:

Appeals

Appeals represents the County in federal and state appellate courts.

Tax Certiorari and Condemnation

Tax Certiorari and Condemnation represents the County in real property tax litigation and in all condemnation proceedings.

General Litigation

General Litigation represents the County in all federal litigation, commercial litigation, all state court matters excepting torts, medical malpractice and labor. General Litigation also handles affirmative litigation brought on behalf of the County.

Family Court

Family Court prosecutes juveniles charged with criminal activity before the Family Court and appears for the County in child abuse and neglect cases. The bureau also enforces the interstate reciprocal agreement for the collection of child support from delinquent parents and establishes paternity in cases where child support orders are requested. The bureau is also charged with the prosecution of juvenile crime in cases ranging from petit larceny to homicide.

Torts

Torts represents the County in all personal injury and property damage litigation, and in medical malpractice cases.

Legal Counsel: drafts legislation and advises government officials on matters of law.

Labor Bureau: represents the County's interests in labor grievances, hearings, administrative proceedings and litigation.

Legal Counsel

Legal Counsel drafts legislation and advises government officials on matters of law.

VISION

The Nassau County Attorney's Office provides superior legal representation to protect County taxpayers against undue claims for damages and advances the County's initiatives, and develops legislation to provide quality services, enhance responsible economic development and stewardship of our natural resources.

MISSION

The Nassau County Attorney's Office provides superior legal representation to protect County taxpayers against undue claims for damages and advances the County's initiatives, and develops legislation to provide quality services, enhance responsible economic development and stewardship of our natural resources.



Labor Bureau

Labor Bureau represents the County's interests in labor grievances, hearings, administrative proceedings and litigations.

Transactions

Transactions reviews and approves County contracts and RFPs and negotiates and drafts major County contracts, negotiates major leases and real estate transactions involving County property, and advises County officials on financings and relations with NIFA.

Claims and Investigations

Claims and Investigations settles small property claims and investigates cases on behalf of all the litigating bureaus

Administration

Administration the senior staff and management of the office, along with the personnel and budget/payroll unit.

Workers Compensation

The Workers' Compensation Bureau processes the claims in all the County's workers' compensation cases. It also reviews each case and determines which matters will be controverted before the Board. The bureau also reviews and supervises all activities of the new Third Party Administrator (TPA).

GOALS

- Eliminate the use of outside counsel in virtually all litigation on behalf of the County – except where conflict or other necessity warrants such representation.
- Complete installation of the case management system bureau by bureau over the next nine months.
- Materially eliminate the remaining tax certiorari backlog by working with the Assessment Review Commission.
- The new TPA will begin processing medical bills on existing claims to extract greater savings in worker's compensation matters. The TPA will also complete a comprehensive review of existing permanent partial disability (PPD) payments and then work with the County Attorney's Office and OMB to consider the implementation of lump sum settlement of these claims.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the County Attorney's Office totals \$34.1 million. This includes \$10.9 million in salary-related expenses for 158 full-time employees, \$5.6 million in other-than personal services expenditures and \$17.6 million in fringe benefits for countywide workers compensation expenses (less 207C expenses). The salary related expenses have been increased from the 2005 Adopted Budget levels reflecting the assignment of department dedicated Deputy County Attorneys for the Planning and Police Departments as well as additional attorneys in the Affirmative



Litigation, General Litigation and Torts Bureaus. Other-than personal expenses have been increased modestly to address increasing litigation related expenses.

As noted, the Fiscal 2006 Expense Budget includes fringe benefits expenses reflecting the total County's Worker Compensation expense (less 207C expenses). The Fiscal 2006 Budget assumes escalating workers compensation expenses as evidenced by the 2004 actuals. However, the total expense exposure in this area has been reduced due to the following processing enhancements:

- All claims are expected to be processed by the TPA by year end eliminating all penalty expenses
- TPA provided medical review services on all claims will generate medical expense savings
- The addition of two investigators in the Commissioner of Investigations Office to increase fraud investigations and consequently recoveries
- The introduction of a "Back to Work Program" for major departments will reduce indemnity expenses

The Fiscal 2006 Adopted Revenue Budget totals \$ 12.6 million. This includes decreased values compared to the 2005 Adopted Budget in recoveries from affirmative litigation and claims activities. This is partially offset in interdepartmental chargeback revenue increases related to additional department dedicated staff assignments.

OFFICE OF CONSTITUENT AFFAIRS



CF - OFFICE OF CONSTITUENT AFFAIRS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	2,635,594	2,721,056	1,359,056	2,743,903
	AB -FRINGE BENEFITS	-	-	32	-
	BB -EQUIPMENT	419,727	25,313	19,267	4,000
	CC -MATERIALS & SUPPLIES	107,048	131,220	114,512	-
	DD -GENERAL EXPENSES	2,420,383	1,449,580	1,443,780	1,819,177
	DE -CONTRACTUAL SERVICES	(154,602)	158,467	-	-
	HF -INTER-DEPARTMENTAL CHARGES	376,160	1,160,969	-	939,592
Expense Total		5,804,311	5,646,605	2,936,648	5,506,672
Revenue					
	BF -RENTS & RECOVERIES	12,152	-	-	-
	BJ -INTERDEPT REVENUES	4,145,593	4,527,115	-	1,184,497
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	5,285	-	-	-
Revenue Total		4,163,030	4,527,115	-	1,184,497

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	57	0	0
2005 Adopted Headcounts	58	0	0



OFFICE OF CONSTITUENT AFFAIRS

The primary function of The Office of Constituent Affairs is to support the County Executive. The County Executive receives over 50,000 constituent inquiries annually through mail, phone, email, walk-ins and petitions. We are responsible for addressing, directing and formulating responses to the myriad of constituent issues in a relatively swift manner. Additionally, we are charged with recognizing the achievements and milestones in the lives of County residents, assisting with special projects and events, and promoting County facilities in order to enhance the quality of life in Nassau County. The Office of Constituent Affairs is also responsible for informing the public of the County Executive's policies, programs and actions through its relations with various media outlets through the Press Office.

VISION

The Office of Constituent Affairs strives to provide superior constituent services and continually seeks to improve operations by increasing productivity and refining our services.

The Press Office also responds to media questions and to requests for information concerning County operations. At the County Executive's direction, the Press Office is dedicated to fostering and promoting open and fair governmental practices through the widespread dissemination of information. The Office of Constituent Affairs also oversees the County Photography Department, which is an arm of the Press Office. The Photography Department records the significant events and occasions in the history of Nassau County government.

MISSION

The mission of The Office of Constituent Affairs is to provide liaison, communications and outreach between the County Executive's Office and the citizens, news media and other stakeholders of Nassau County. Our duties include delivery of County Services by connecting citizens with the services they seek.

Division of Printing & Graphics

The Office of Constituent Affairs oversees the majority of the County's printing facilities providing in-plant photo-offset printed media to the Departments and divisions within Nassau County Government. Along with providing these services, the Printing and Graphics section is also responsible for providing all copier paper and copier equipment supplies countywide. Other responsibilities include overseeing all copier equipment purchases and leases as well as the maintenance of this equipment.

Central Mailroom (Bureau of Mail)

The Office of Constituent Affairs manages the majority of the County's mail facilities to ensure the entire County government's mail and printing needs are met in an efficient and expeditious manner.



GOALS

- The Office of Constituent Affairs is dedicated to mitigating expenses through various means.
- The Office of Constituent Affairs is also committed to improving technology in an effort to become increasingly efficient in our duties.
- Continue to improve upon the new charge back procedure and Inter-departmental Service Agreements (ISA) to educate all county departments on the cost of their printing (and mail) related services while reducing costs to the County.
- Continue to work with all county departments to upgrade and make current all of their printed materials from service brochures to forms.
- The Central Mailroom will continue to work with the Department of Real Estate and Planning with their building consolidation project to streamline and eliminate unnecessary mail routes as we consolidate the county seat.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Expense Budget for the Office of Constituent Affairs totals \$5.5 million, approximately \$100,000 less than the 2005 Adopted Budget due to lower equipment costs and interdepartmental expenses. It includes \$2.7 million in salary-related expenses for 57 full-time employees and \$2.7 million in other-than personal services expenditures.

The Fiscal 2006 Adopted Revenue Budget totals \$1.2 million. This budget reflects a reduction in interdepartmental chargeback revenues as General Fund departments are no longer charged for printing, graphics and mail services.



CIVIL SERVICE COMMISSION



CS - CIVIL SERVICE

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense	AA -SALARIES, WAGES & FEES	4,018,141	4,593,104	2,226,731	4,529,502
	BB -EQUIPMENT	85,534	21,263	5,109	21,438
	DD -GENERAL EXPENSES	173,159	284,826	177,963	287,162
	DE -CONTRACTUAL SERVICES	98	7,500	-	7,562
	HF -INTER-DEPARTMENTAL CHARGES	89,380	2,585,848	-	-
	HH -INTERFD CHGS - INTERFUND CHARGES	-	-	-	150,000
Expense Total		4,366,312	7,492,541	2,409,803	4,995,664
Revenue	BF -RENTS & RECOVERIES	135,681	-	-	30,800
	BH -DEPT REVENUES	332,409	200,800	229,432	235,000
Revenue Total		468,090	200,800	229,432	265,800

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	62	30	1
2005 Adopted Headcounts	61	31	1

PERFORMANCE INDICATORS: CIVIL SERVICES

Indicator	Actual 2004 Measure	Projected 2005 Measure	Target 2006 Measure
Classification - Defines and classifies all Civil Service positions			
- CS-4s Reviewed	3,187	3,150	3,175
Data Entry - Processed work of all the Units in the Commission			
- APIDS-Employment Records Processed	133,236	130,000	110,000
- RIMS-Exam Records Processed	134,060	113,000	135,000
Examinations - Plans, organizes and supervises special and standardized testing programs			
- Performance Tests	2,245	764	1,500
- Psychological Tests	505	343	300



CIVIL SERVICE COMMISSION

Three Commissioners serve as the policy-making unit of the department. They conduct public hearings, review background investigations, make determinations and serve as an appeals board. The departments that comprise the Civil Service Commission are:

Recruitment

Recruitment administers all Civil Service exams, prepares examination announcements, and reconciles examination results from the State Civil Service Office prior to the establishment of eligible lists.

Classification

Classification defines all positions, establishes training and experience requirements, and, furnishes data and recommendations to assist the Civil Service Commissioners in determining the jurisdictional classification of positions.

Qualification

Qualification reviews all applications for examination and for employment in County departments, towns, villages, school districts and special districts.

Examination

Examination plans, organizes and supervises special and standard testing programs for the County. It determines areas appropriate for written tests and reviews test items for subject matter based on standards and appropriateness of contents.

Placement

Placement issues certifications, establishes and maintains eligible lists and verifies that all appointments are in accordance with the provisions of the Civil Service law.

VISION

The Nassau County Civil Service Commission partners with the Human Resources Departments of the Towns, Villages, Schools, County and Special Districts to ensure that qualified personnel fill positions in accordance with laws established under the New York State Constitution and to ensure the public trust. We will provide this obligated service in the most efficient manor using the latest technological advances to our clients.

MISSION

It is the mission of the Civil Service Commission to insure adherence to State Law and County rules and to act as an informational resource for agencies and departments to assist in their understanding of Civil Service Law and Equal Employment Opportunity mandates. The Civil Service Commission also increases employees' awareness of their rights and obligations. The Civil Service Commission plans, organizes and supervises special and standard testing programs in order to apply uniform and fair evaluation procedures for potential County employee candidates.



GOALS

- Completion of paperless processing changeover, which is expected to make an electronic notification system within the next year.
- Provide guidance and training to County Departments in handling personnel actions according to the Civil Service Law and Rules of the Commission.
- Process and monitor appointments on a timely basis to ensure that agencies comply with proper, lawful hiring procedures.
- Provide quality service to municipal agencies in order to help them fulfill their needs and accomplish their goals. We also need to expand our new agency web site and “on-line” processing system so as to make it available to all municipal agencies wishing to use it.
- Create County-owned Training & Experience (T&E’s) for many of the exams that are now part of the State’s decentralized test program.
- Maintain communications by meeting with departments and agencies on an ongoing basis to assist them in achieving and maintaining properly classified positions.
- Provide more assistance to other employers/recruiters so that where hires are being affected our Nassau County residents will be made aware of opportunities.
- In an effort for continuous improvement, The Civil Service Commission will adapt the various online systems for the purpose of shortening response time and lessening workload.
- Utilize online application submissions as a method to achieve “paperless” application processing.
- Maintain a strong support system within the commission to provide information and data to all County Departments and the Nassau Health Care Corporation.
- Continue streamlining our methods and procedures, so that personnel transactions and payroll certifications can be processed in a timely fashion.
- Fingerprint County employees to insure that individuals that have routine unsupervised contact with children will meet the Counties high standards.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Civil Service Commission totals \$5 million. This includes \$4.5 million in salary-related expenses for 62 full-time employees. The other-than personal services budget totals \$466,000 and includes \$150,000 of inter fund charges for law enforcement medical examinations that are performed by Nassau University Medical Center.

The Fiscal 2006 Adopted Revenue Budget for the Civil Service Commission totals \$265,800, which is \$65,000 higher than the 2005 Adopted Budget. This increase reflects recent revenue trends and anticipates a slightly higher than average level of examination fees.



DEPARTMENT OF INFORMATION TECHNOLOGY



IT - INFORMATION TECHNOLOGY

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	8,886,393	9,267,706	4,622,737	9,933,510
	AB -FRINGE BENEFITS	-	-	(195,475)	-
	BB -EQUIPMENT	(2,428)	250,000	16,630	252,000
	CC -MATERIALS & SUPPLIES	887	12,000	8,083	-
	DD -GENERAL EXPENSES	1,627,642	1,965,402	795,808	2,445,734
	DE -CONTRACTUAL SERVICES	5,595,796	5,297,908	1,695,885	6,371,322
	DF -UTILITY COSTS	5,098,000	5,484,708	3,046,573	3,609,433
	HF -INTER-DEPARTMENTAL CHARGES	849,523	1,297,130	-	1,888,809
Expense Total		22,055,813	23,574,854	9,990,243	24,500,808
Revenue					
	BF -RENTS & RECOVERIES	522,398	-	59,645	-
	BH -DEPT REVENUES	1,164,323	700,000	464,158	202,000
	BI -CAP BACKCHARGES	262,948	-	-	2,311,073
	BJ -INTERDEPT REVENUES	1,604,962	21,672,379	-	5,559,985
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	2,314	637,618	-	660,000
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	0	-	328,125	372,000
Revenue Total		3,556,946	23,009,997	851,928	9,105,058

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	118	2	0
2005 Adopted Headcounts	104	1	0

PERFORMANCE INDICATORS: INFORMATION TECHNOLOGY

Indicator	Actual 2004 Measure	Projected 2005 Measure	Target 2006 Measure
Operations LAN and PC Support			
Response Time Data for Desktop Support Categories:			
Total Troubles	N/A	4,500	4,000
Total Work Requests	N/A	3,780	4,000
Total Incidents	10,666	8,280	8,000
Completion Time Average	8 Days	4 Days	6.25 Days



DEPARTMENT OF INFORMATION TECHNOLOGY

The Department of Information Technology (IT) serves as the central point for the planning, implementation, and support for the County's technology infrastructure. The IT team assists in the planning of technological projects for individual and cross-departmental initiatives. These functions are in addition to providing support and assistance to deployed systems and technology.

GOALS

- To make Nassau County an industry leader in cost-effective governmental services.
- To have an empowered and highly motivated workforce that is skilled in the latest technologies.
- To ensure that all Nassau County citizens are highly satisfied with their interaction with the County.
- To let business needs drive the use of technology.
- To give precedence to collective priorities over those of any single department.
- To use best practices to create effective solutions.
- To re-engineer broken processes.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Expense Budget for the Department of Information Technology totals \$24.5 million. This includes \$9.9 million in salary-related expenses for 118 full-time employees, which recognizes a growth of 23 employees over the current full time onboard staffing level. This growth will allow the department to improve administrative, fiscal and project management, and implement the aggressive information technology improvement projects included in the 2005-2008 Capital Improvement Plan. Consequently the majority of the new positions will be back charged to the Capital Budget. The adopted other-than personal services budget totals \$14.6 million which represents a decrease of approximately 260,000 from the Adopted 2005 Budget. This is due to the following combination budget reductions and increases:

- Reduction of the telecommunications budget of \$1.9 million due to a transfer to the Police Department

VISION

To provide the highest quality of information technology services to our customers through the effective utilization of existing and new technologies. IT will implement and support technologies and processes that will increase service to customers while maximizing investments.

MISSION

The mission of the Department of Information Technology is to provide high quality, customer-focused information technology services and business solutions to County departments in support of their missions.



- Increase in the contractual services budget of \$1.1 million for the transfer of the GIS function from the Planning Department and increases in maintenance and support due to the EGovernment Initiative.
- Increase in the general expense budget of \$481,000 primarily for additional software licensing needs.
- Increase in the interdepartmental charges of \$592,000 reflecting a substantial increase in central government cost allocations.

The Adopted Fiscal 2006 Revenue Budget for the Department of Information totals \$9.1 million. This is reduced significantly from the Adopted 2005 Budget; primarily due to the decrease in interdepartmental chargeback revenue as General Fund departments no longer participate in IT expense chargebacks. In addition, the Correctional Center telephone concessions revenue of \$700,000 has been transferred to the Correctional Center budget. It is also important to note that a Capital Chargeback Budget of \$2.3M has been established in accordance with the 2005-2008 Capital Improvement Plan.



LABOR RELATIONS



LR - OFFICE OF LABOR RELATIONS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	317,258	317,164	179,643	423,400
	CC -MATERIALS & SUPPLIES	-	4,000	-	-
	DD -GENERAL EXPENSES	2,603	7,000	2,551	10,000
	DE -CONTRACTUAL SERVICES	-	2,700	-	3,000
	HF -INTER-DEPARTMENTAL CHARGES	25,128	191,217	-	-
Expense Total		344,989	522,081	182,194	436,400
Revenue					
	BF -RENTS & RECOVERIES	30,704	-	-	-
Revenue Total		30,704	-	-	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	6	0	0
2005 Adopted Headcounts	4	0	0



LABOR RELATIONS

The Office of Labor Relations is responsible for representing the County, its departments and the managerial staff in all aspects of dealing with the labor unions and its collective bargaining agreements. The Office provides contract interpretations and advises the departments on the proper way of abiding by the terms of collective bargaining agreements.

VISION

Our vision is to provide superior labor relation services to all departments and to continually challenge ourselves to provide, these services in a value added, best practices manner.

GOALS

- Educate departmental management in the terms and conditions of the collective bargaining agreements in order to eliminate wasteful and unnecessary spending and ensure proper compliance with disciplinary procedures.
- Avoid unnecessary arbitrations and minimize any potential monetary damages.
- Provide a buffer for the County Executive and act as his representative when dealing with County employee labor unions in order to effectuate collective bargaining agreements consistent with the constraints of the budget.
- Create a healthy and efficient working environment for all through cooperation between management and labor unions.
- Hold training seminars and meeting for the department heads and supervisors in order to teach them how to correctly interpret the collective bargaining agreement, how to properly discipline employees and assist the departments in each step of the grievance and disciplinary process.
- When departmental education fails, the Office of Labor Relations will work to settle cases as soon as possible if liability may exist, either at the step hearing level, mediation level, or, if necessary, at arbitration. If arbitration is necessary the office will use all the resources available to defend the County's position at minimal cost.
- Work with the departments to rehabilitate, retrain, discipline and, if necessary, terminate inadequate employees; meet with the unions in order to discuss outstanding issues relevant to the workplace and assist the departments in providing a cost effective and efficient work environment.

MISSION

The mission of the Office of Labor Relations is to provide a complete full service support resource to all departments in the County of Nassau, in dealing with any and all employment and/or labor union issues in a cost effective and sensitive manner. The Office of Labor Relations represents the County and its departments in negotiations, labor proceedings and all labor issues with employee labor unions. We work with all departments covered by collective bargaining agreements to ensure compliance with these agreements and assist management with employment procedures and practices.

**2006 BUDGET HIGHLIGHTS**

The Adopted Fiscal 2006 Expense Budget for the Office of Labor Relations totals \$436,400. This includes \$423,400 in salary-related expenses and reflects an increase \$106,000 for two on board positions previously omitted from the Fiscal 2005 Adopted Budget.



HUMAN RESOURCES



PE - DEPARTMENT OF HUMAN RESOURCES

E/R Expense	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
	AA -SALARIES, WAGES & FEES	557,337	701,014	329,930	696,006
	CC -MATERIALS & SUPPLIES	7,500	7,500	3,108	-
	DD -GENERAL EXPENSES	32,500	82,500	32,088	91,100
	DE -CONTRACTUAL SERVICES	52,000	120,000	37,025	118,700
	HF -INTER-DEPARTMENTAL CHARGES	37,301	236,958	-	-
Expense Total		686,638	1,147,972	402,151	905,806

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	12	0	2
2005 Adopted Headcounts	11	0	2

PERFORMANCE INDICATORS: HUMAN RESOURCES

Indicator	Actual 2004 Measure	Projected 2005 Measure	Target 2006 Measure
Public Relations:			
Response Time To Constituent Letters	N/A	10 Days <small>(Includes average 2 day delay until received by HR)</small>	5 Days
Personnel Processing:			
For HR Approvals	N/A	2-3 Days	2 Days
Performance Evaluation:			
% of Employees Meeting or Exceeding Job Requirements	90%	95%	95%
Professional Development:			
Training for Managers & Supervisors (Sponsored/Coordinated by HR)	1,500 Hrs.	2,050 Hrs.	3,000 Hrs.



HUMAN RESOURCES

Human Resources is responsible for the development and administration of programs that directly affect all employees, such as: organizational development, compensation analysis, professional training, recruitment, benefit review and enhancement, human resource information systems (HRIS), and performance analysis and management. The HR professional staff has individuals dedicated to assist the County's verticals and individual departments with all HR related matters. Human Resources

provides a host of services for all departments to assist in the overall management of employment practices. Some of these services include consultation on individual performance reviews, promotional paths, organizational effectiveness, and implementation of human resources best practices, training & development, and coordination of professional deployment both within departments and throughout the County.

VISION

Our vision is to maintain and build a healthy, proactive and highly skilled workforce, committed to excellence that reflects the diversity and talent of our community.

GOALS

- The implementation of training programs related to professional and workplace development for the County is a major goal of Human Resources in the coming year. In order to provide the employees of Nassau County with a more progressive work environment, training programs must be developed on an individual and departmental level. These programs will assist in addressing professional development, management training, cultural sensitivity, and organizational effectiveness.
- Centralization of Human Resources will continue through 2006. We must recognize the need to deliver professional human resource services to all departments within the County. In order to accomplish this we must hire

professionals with strong backgrounds in human resources to effectively deliver, in a cost effective manner, a consistent HR Program for the County. Currently, in many departments, the HR function is relegated to employees with no formal training in human resources. Departmental Human Resources representatives will continue to receive training and development to continue the process of professionalizing this

MISSION

Recognizing that Nassau County's greatest asset is its employees, the Office of Human Resources is dedicated to the recruitment, retention and development of a superior work force. We are committed to developing an infrastructure that recognizes individual efforts of excellence while enhancing collaborative working relationships throughout Nassau County Government. We strive to create an environment that emphasizes respect for all professionals through the promotion of progressive employment practices.



staff. Ineffective HR management results in higher costs for the County through employment litigation, poor performance, and low productivity.

- In conjunction with the above, we must implement an enterprise wide employee information system to replace NUHRS. The current system is very difficult for staff to work with and takes many hours away from the core functions of individual departments. The current system is mainframe based and does not lend itself to ease of use or flexibility and adaptability. A new system, client server or internet based, will not only decrease cost and headcount associated with HR process, but would also allow more information flow for the type of analysis necessary for a productive workforce. This should be coordinated with the development of a time & leave system for the County.
- Analysis of position descriptions, job requirements and compensation ranges is a long-term project that HR will be entering into in 2005 and which will continue through 2006. Among the aims of this project are to maximize internal and external equity for approximately 1,600 titles in the County.
- Performance evaluation and appraisal is an ongoing initiative for Human Resources. The next phase of this initiative will focus on how to develop individual performance plans.
- The review and analysis of the County's employee benefits programs will continue in 2006 with an eye towards identifying and addressing concerns with "fringe" costs. In addition, we must make sure that the County is offering the most comprehensive benefits at the lowest possible costs. Finally, employees must be educated as to the extent and value of the benefits that make up a significant part of their overall compensation.

2006 BUDGET HIGHLIGHTS

The Adopted Fiscal 2006 Expense Budget for the Human Resources Department totals \$905,806. This includes \$696,006 in salary-related expenses for 12 full-time employees and \$209,800 in other-than personal services expenditures designated primarily for training and employment advertising expenses. Excluding interdepartmental charges, which will not be charged to this department in 2006, the budget is consistent with the Fiscal 2005 Adopted Expense Budget.



REAL ESTATE PLANNING & DEVELOPMENT



RE - OFFICE OF REAL ESTATE SERVICES

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	876,506	891,284	494,182	829,136
	CC - MATERIALS & SUPPLIES	4,827	11,063	5,503	-
	DD - GENERAL EXPENSES	92,303	128,125	16,339	212,000
	DE - CONTRACTUAL SERVICES	-	-	-	96,019
	HF - INTER-DEPARTMENTAL CHARGES	187,045	226,124	-	-
	OO-OTHER	4,698,886	13,847,013	5,645,062	12,591,815
Expense Total		5,859,567	15,103,609	6,161,086	13,728,970
Revenue					
	BF - RENTS & RECOVERIES	8,246,159	7,909,433	3,896,160	8,241,301
	BH - DEPT REVENUES	75,600	75,600	44,100	75,600
	BJ - INTERDEPT REVENUES	-	10,862,389	-	7,485,267
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	-	359,000	(180,601)	94,314
Revenue Total		8,321,759	19,206,422	3,759,659	15,896,482

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	11	0	0
2005 Adopted Headcounts	12	0	0



REAL ESTATE PLANNING & DEVELOPMENT

The department's major responsibility is the Nassau County Government Real Estate Consolidation Plan. The Real Estate Consolidation Plan organizes the County government facilities into groups of "complexes", designed to house government departments that perform related functions. The county departments will align according to the county's vertical organizational structure where possible, and will realize efficiencies in support services and human resources.

VISION

The Office of Real Estate Planning & Development strives to deliver superior real estate services that empower and support all county departments in the accomplishment of their missions.

In addition the department is also developing a long-term strategic plan for the prudent use of the county's real estate resources. This will include maintaining & automating a reliable and updated inventory of all county-owned property in order to effectively manage county real estate assets.

GOALS

- Manage the Real Estate Consolidation Program.
- Reengineer the County's real estate portfolio to consolidate the operations of County government.
- Realize increased building and personnel efficiencies through improved workspace design.
- Revise the financial plan for the implementation of the Real Estate Consolidation Plan. This plan will identify & quantify all efficiencies resulting from the consolidation. It will also include a debt-financing plan, a cash flow plan and a projection for surplus building & land sales.

MISSION

The Office of Real Estate Planning & Development provides real estate services to county government including strategic planning, property acquisition and disposition, and building project planning and development. The consolidation of these functions within a central Office of Real Estate Planning & Development ensures that the county's real property is managed in a cost-effective and efficient manner that will benefit all employees and consumers of county services.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Expense Budget for the Office of Real Estate Planning & Development totals \$13.7 million. This includes \$ 829,136 in salary-related expenses for 11 full-time employees. Other-than personal services expenditures total \$12.9 million and primarily reflect County rent which has decreased due to the elimination of the Plainview Properties (excluding Veterans space) lease expenses. Also included in the other-than personal services proposed budget is the continuation of insurance premium funding totaling \$500,000.

REAL ESTATE PLANNING & DEVELOPMENT



The Fiscal 2006 Adopted Revenue Budget for the Office of Real Estate Planning & Development totals \$15.9 million which is primarily revenue from County owned leased properties and interdepartmental revenue for building lease expenses. Interdepartmental revenue for building lease expenses has been reduced by \$3.4 million reflecting the elimination of these charges to General Fund departments.



RECORDS MANAGEMENT



RM - RECORDS MANAGEMENT

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	529,607	642,186	319,087	708,531
	AB -FRINGE BENEFITS	-	-	52	-
	BB -EQUIPMENT	14,484	-	-	37,575
	CC -MATERIALS & SUPPLIES	17,987	80,000	1,357	-
	DD -GENERAL EXPENSES	25,061	100,000	34,991	181,476
	DE -CONTRACTUAL SERVICES	157,000	423,463	-	134,680
	HF -INTER-DEPARTMENTAL CHARGES	70,384	551,644	-	680,333
Expense Total		814,523	1,797,293	355,487	1,742,595
Revenue					
	BJ -INTERDEPT REVENUES	1,003,053	689,658	-	129,084
Revenue Total		1,003,053	689,658	-	129,084

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	10	13	0
2005 Adopted Headcounts	10	2	0



RECORDS MANAGEMENT

The Records Management Office envisions a safe, secure, climate controlled Records Center to maintain vital county records. Record Management serves County Departments by storing and inventorying records in a safe and controlled environment; making available records when requested by departments; microfilming and preparing documents; and implementing document destruction in accordance with NYS Record Retention guidelines.

MISSION

The mission of Records Management is to ensure that the records of the County Departments are protected, filed, and made accessible when the individual departments need retrieval. The division of Micrographics will reduce the volume of permanent documents by converting them to microfilm.

GOALS

- Increase productivity by creating a positive work environment;
- Install additional metal shelving to accommodate all documents stored in the records center.
- Install proper HVAC and humidity control to be in accordance with all NYS accepted ranges for the storage and protection of documents.

2006 BUDGET HIGHLIGHTS

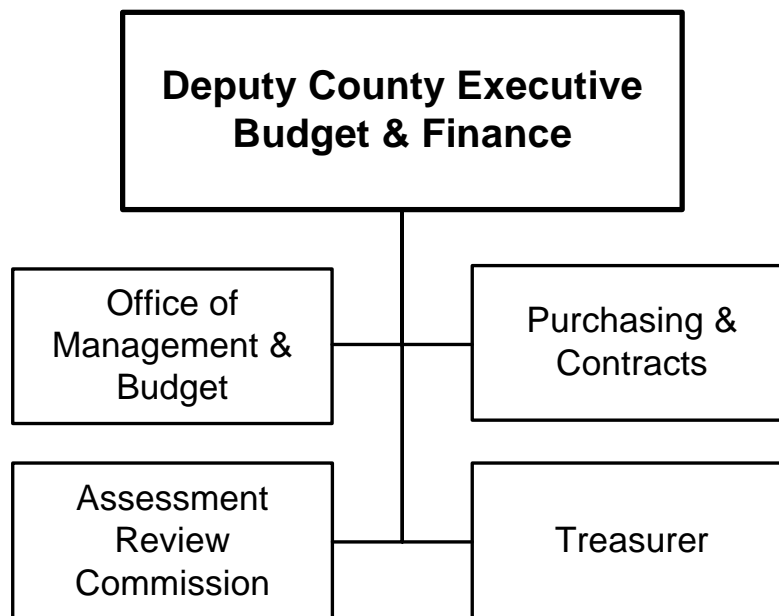
The Fiscal 2006 Adopted Expense Budget for Records Management totals \$ 1.7 million. This includes \$708,531 in salary-related expenses for 10 full-time employees and 13 part time employees, 11 of which have been transitioned from a contract for microfilming services. Other-than personal services totals \$1 million and reflects the decrease in contractual services.

The Fiscal 2006 Adopted Revenue Budget totals \$129,084. This budget reflects a reduction in interdepartmental chargeback revenues as General Fund departments are no longer charged for records management services.



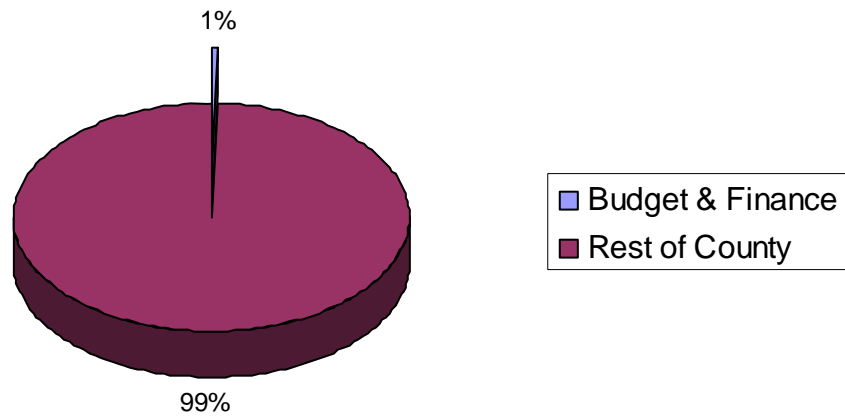


BUDGET AND FINANCE VERTICAL

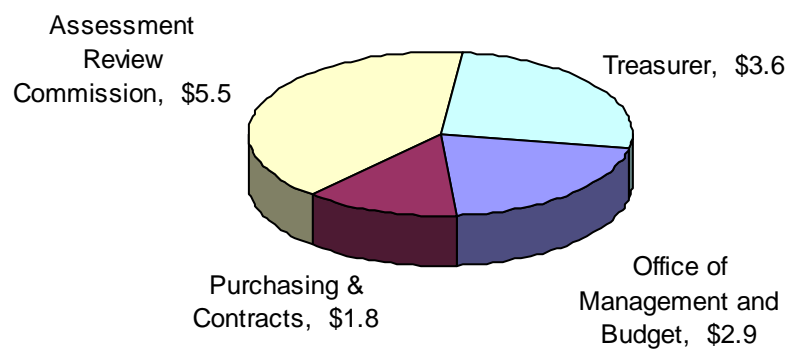




Budget & Finance Expenses as % of Total Expenses



Budget & Finance Vertical





BUDGET AND FINANCE VERTICAL

The Budget and Finance Vertical is headed by Deputy County Executive Arthur A. Gianelli. The Vertical is responsible for the development and management of the County's \$2.4 billion operating budget, the administration of the County's debt portfolio and cash investments, the procurement of goods and services, and the administrative review of residential and commercial challenges to property assessments. The Vertical is also responsible for the development and implementation of the County's Multi-Year Financial Plan, the issuance of fiscal policies and financial management publications, and the maintenance of a financial information link on the County's homepage.

VISION

The Budget and Finance Vertical will make Nassau County a national model for responsible fiscal stewardship, conservative budgeting, transparent reporting, creative long-term planning, and accountability to our residents for our performance.

The mission of the Budget and Finance Vertical is to ensure that Nassau County operates effectively and efficiently within the fiscal parameters established by its fiscal policies, its budget, and its multi-year financial plan. To accomplish this mission, the Budget and Finance Vertical will:

- Utilize best budget and finance practices to allocate resources that support the County's overall mission and reflect taxpayer and customer expectations;
- Effectively manage the County's tax and non-tax revenues and debt issuance according to guidelines established in specific policy documents and the Multi-Year Financial Plan;
- Maximize the return on investments while protecting taxpayer money from undue risk;
- Establish uniform assessment standards and apply them fairly and consistently to reduce challenges and refunds; and,
- Continually improve the County's credit worthiness through sound reporting, strong management, and solid budgeting.

MISSION

The mission of the Budget and Finance Vertical is to ensure that Nassau County operates effectively and efficiently within the fiscal parameters established by its fiscal policies, its budget, and its multi-year financial plan.

Four high-level employees report to the Deputy County Executive for Budget and Finance. These employees constitute an internal administrative team that provides vertical-wide quantitative, qualitative, and logistical support specifically in the areas of operational and best practices consulting, debt administration, economic forecasting, benefits analyses, and cash management.



Additionally, four departments report directly to the Deputy County Executive.

- ***Office of Management and Budget:*** The Office of Management and Budget (“OMB”) is headed by the Director, Mark Young. OMB is primarily responsible for the preparation of the long-term financial and operating strategy (the multi-year financial plan) and its integration with the short-term financial and operating strategy (the annual budget plan). Critical functions of OMB include analyzing historical trends and seasonal fluctuations in order to make informed decisions, monitoring revenues and expenditures, recognizing potential shortfalls and proposing solutions, implementing savings strategies, assessing the success of established performance measures, acting as liaison between OMB, departments and the public, and the effective communication of the budget and financial plan. One of the divisions of the OMB is County-Stat. Headed by Guy Courbois, County-Stat collects, analyzes, and generates reports on key operational indicators for participating departments. The County-Stat process brings together key decision makers from the administration to hear reports from the participating departments, inquire about the data presented, resolve roadblocks to operational effectiveness, and assign accountability for the completion of priority projects.
- ***Office of the County Treasurer:*** The Office of the County Treasurer is directed by Henry Dachowitz. The Office manages and invests County funds, maintains banking and financial relationships, oversees the County’s borrowing, maintains an account of receipts and disbursements, collects tax delinquencies, processes the payment of property tax refunds, and oversees the sale of tax liens.
- ***Department of Purchasing:*** The Department of Purchasing is headed by the Director of Purchasing, Frank Ryan. The Department is responsible for the procurement of goods and services in a manner consistent with State law and the County Charter. In addition, the Department of Purchasing oversees the electronic contract routing and tracking process and the just-in-time inventory program. The Department is also actively involved in the implementation of the County’s M/WBE legislation, and it has successfully worked with the Department of Information Technology to introduce electronic registration and bid solicitation to the vendor community.
- ***Assessment Review Commission:*** The Assessment Review Commission (“ARC”) reviews property assessment grievances and, where appropriate, provides timely and appropriate relief from excessive valuation. ARC is a quasi-judicial arm of the County consisting of a Chairperson, Glenn Borin, and eight Commissioners appointed by the County Executive and approved by the County Legislature.

Finally, the Vertical serves as the administration’s primary liaison between the Department of Assessment and all the County’s various financial oversight organizations, including the Office of the Comptroller, the Office of Legislative Budget Review, the Nassau County Interim Finance Authority (“NIFA”), the Nassau Citizens Budget Committee, and the three major rating agencies: Fitch Ratings, Moody’s Investors Service, and Standard and Poor’s.



GOALS

Goals are statements of broad direction, purpose, or intent based on the needs of the community. In general, the Budget and Finance Vertical must continue its vigilance in the management of the County's budget and the Multi-Year Financial Plan, identify new cost cutting or revenue raising initiatives to close out-year budget shortfalls, and further institutionalize sound and conservative financial management practices.

To these ends, the goals of the Budget and Finance Vertical are to:

- Achieve balanced budgets;
- Assign fair and accurate property assessments, while expeditiously responding to grievances and correcting those assessments that are inaccurate;
- Benchmark, measure, and improve the performance of County departments;
- Borrow funds, as needed, to finance the County's cash flow and capital needs;
- Conduct long-range financial planning and forecasting;
- Develop and implement County-wide systems and processes;
- Enhance the County's credit quality;
- Generate, analyze, publish, and utilize financial and management information to improve the efficiency of County operations;
- Inform, educate, and interact with the County's external monitors, taxpayers, and the general public;
- Manage the use and investment of the County's money;
- Network with national, state, and local professional associations and governments to achieve best practices related to financial management and operational improvements; and,
- Sustain fund balance levels, augment reserves, and utilize remaining surplus funds to make strategic investments and mitigate future tax increases.

OBJECTIVES

Objectives are clear, measurable, tactical statements of a goal that can be achieved by those responsible for their execution. Objectives specify the time period in which a goal is to be accomplished. Objectives should be specific, well-defined, and measurable.

From September 15, 2005 through December 31, 2006, the Budget and Finance Vertical intends to accomplish the following:

General Fiscal Management:

- Achieve further increases in the credit ratings assigned to the County's general obligation debt, with a target of reaching high single A ratings from all three credit rating agencies by the end of the 2006 fiscal year;
- End the 2005 fiscal year with a balanced budget, utilizing as much in surplus operating funds as possible to pre-pay debt, avoid debt issuance, populate reserves, and defray out-year expenses;



- Continue the implementation of all of the elements of the Multi-Year Financial Plan, including the accumulation and use of PAYGO / Medicaid Transitional Funds to facilitate over three years the transition to pay-as-you-go financing of property tax refunds as the recurring benefit of the Medicaid cap, relative to the baseline, increases with each successive year;
- Publish a Grants Plan for the first time in September of 2005, reconcile prior-year grant-funded programs by December 31, 2005, and institute a series of reforms to the grant administration process, including departmental training, also by December 31, 2005;
- Develop a more sophisticated methodology for economic forecasting, including regular sampling of retail sales in the County, as well as using econometric models, such as the REMI model, to predict sales tax revenues and the economic impact of various development proposals;
- Generate monthly profit-and-loss statements for each site in the Department of Parks, Recreation, and Museums;
- Issue a contract in 2006 to a vendor to identify and attract advertisements to be located on selected County facilities consistent with the County's private use limitations;
- Further enhance the Capital Improvement Plan and the capital project approval and monitoring process;
- Conduct a comprehensive analysis of the current system of taxation for sewer services.

Debt Management

- Issue general obligation long-term debt in the spring of 2006 under the County's credit for the first time since the creation of NIFA;
- Commence running DBC Debt Manager, a state-of-the-art automated debt management system, in October of 2005, and end redundant manual tracking of County debt payments by December 31, 2005;
- Complete the final stages of comprehensive private use analysis of all County debt by December 31, 2005;
- Complete comprehensive arbitrage rebate project by December 31, 2005;
- Continue to monitor on a quarterly basis the County's swap exposure through NIFA and through the Nassau Health Care Corporation ("Corporation").

Financial Policies and Disclosure

- Include in the 2006-2009 Multi-Year Financial Plan, submitted on September 15, 2005, financial policies governing fund balance, swaps, and debt management, and submit separately to the County Legislature a revised investment policy by September 30, 2005;
- Roll out a financial information link on the County home page, which will include comprehensive budgetary, debt, cash flow, and disclosure data, by September 30, 2005.

**Assessment and Assessment Review Reform**

- Complete the execution of ARC's Refund without Settlement program by December 31, 2005 in order to take maximum advantage of the County's statutorily prescribed capability to issue long-term debt to finance the reduction of its inventory of unresolved assessment grievances;
- Continue the program of annually updating the County's assessment roll, as well as unilaterally correcting errors in the tax roll by taking advantage of year-long review period before the closure of the roll, in order to minimize the new refund liability that each tax roll adds;
- Continue the automation of internal processes within ARC, while rolling out the automated residential grievance tool by January 2, 2006.

The Nassau Health Care Corporation

- Continue to work with the Nassau Health Care Corporation to implement a recovery plan, which encapsulates the strategies outlined in the report on the Corporation issued by the County's health care consultants;
- Negotiate and execute a successor agreement between the County and the Corporation by December 31, 2005. The successor agreement is designed to permanently replace the initial transfer agreement, which was executed in September of 1999;
- Examine options for – and potentially issue debt to – displace additional tobacco risk to the market and generate significant up-front tobacco proceeds to finance capital investments made by the Corporation and/or the County. To the extent that these tobacco proceeds are made available to the Corporation, the County and the Corporation should structure the transaction to maximize, consistent with other policy objectives, the reimbursements provided by the New York State Department of Health.



Contract, Procurement, and Receivable Management

- Continue utilizing weekly vertical contract reports to manage the processing of professional service contracts and reduce the amount of time it takes to process and approve these contracts in Nassau County;
- Work with the Department of Information Technology and the Comptroller's Office to implement the grants management and accounts receivable modules of the County's financial system by December 31, 2005, as well as assist in 2006 in upgrading the County's financial system to, among other things, facilitate the implementation of a fully electronic contract routing process;
- Continue to process and load health and human service ("HHS") contracts into the financial system prior to the beginning of the new fiscal year, in order to minimize or eliminate delays in the payment of the HHS vertical's contract vendors;
- Continue successful use of a just-in-time inventory system for the procurement of office supplies and expand the use of this system to, among other things, travel procurement;
- Coordinate efforts of the Office of Minority Affairs, the County Attorney's Office, the Department of Purchasing, OMB, the Department of Information Technology and the Department of Public Works to implement by December 31, 2005 electronic vendor registration, automated bid notification, and the requirements of the M/WBE legislation, including vendor certification, subcontractor data collection, and regular reporting on M/WBE participation in County procurement.

Performance Measurement

- Maintain enrollment and actively participate in the International City/County Management Association's Center for Performance Measurement;
- Utilize the comparative data provided by the Center for Performance Measurement to benchmark the effectiveness and efficiency of County service delivery;
- Continue publication of annual program budget and begin its use as a tool for conducting programmatic evaluations, developing performance measurement data, and making managerial decisions.



Risk Management and Internal Controls

- Develop a County-wide integrated risk management strategy consistent with the outlines of the Council of Sponsoring Organizations of the Treadway Commission's 2004 publication on enterprise risk management;
- Compile policy and procedure manuals for the basic operations managed by each of the departments in the vertical, with a first phase being completed by December 31, 2005 and the final phase being concluded by June 30, 2006;
- Resolve all Management Letter findings that are applicable to departments in the vertical by December 31, 2005;
- Work with the County's Compliance Officer to assess internal weaknesses and implement a system of internal controls;
- Award an RFP to an actuarial firm to assist the County in becoming GASB 45 compliant earlier than required;
- Assist the County Attorney's Office by helping to assign estimates of potential liability to tort claims.

Vertical Human Resources Management

- Undertake vertical performance reviews and assess "customer" satisfaction;
- Develop and implement computer skill training and professional development requirements for employees in each of the departments in the vertical; and
- Develop a human resources protocol within the Vertical, including an assessment of skills and needs, career path development, and formalized job descriptions, etc.

ACCOMPLISHMENTS

The Budget and Finance Vertical achieved a number of its key goals and objectives during 2004 and through September of 2005:

- ***Substantial Positive Operating Surplus, Structural Balance, and the Funding of Reserves:*** Nassau County ended the 2004 fiscal year with an operating surplus totaling \$76.8 million aggregated across its major operating funds, achieving structurally balanced operations for the second consecutive year. The administration directed \$54 million of the 2004 positive operating surplus to two reserves established pursuant to the New York State General Municipal Law. The County transferred \$28.9 million to an employee benefit accrued liability reserve fund to hedge against excessive sworn officer separation payments in the future, and it transferred \$25.1 million to a reserve for the retirement of bonded indebtedness to provide resources to offset future debt service payments or to extinguish debt early. The County also transferred \$10 million to the debt service fund to use to make debt service payments during the 2005 fiscal year. The administration elected to establish a balance sheet reserve totaling \$3.3 million for the payment of small legal judgments and settlements. The administration transferred the remaining proceeds from its original tobacco securitization - \$60.6 million - to a trust an agency fund to serve as a source of internal liquidity and a working capital reserve. Finally, the State of New York deferred from December of 2004 to February of 2005 the date upon which local governments are obligated to



make their required contributions to the pension fund. By deferring the pension payment date, the State of New York permitted local governments that operate on a calendar fiscal year to reserve pension funds appropriated in the 2004 budget to ease the future-year impact of the growth in annual pension contributions. Nassau County transferred \$78.5 million in 2004 from the budgets of the major operating funds to a pension contribution reserve fund.

- ***Growth in Unreserved, Undesignated Fund Balance:*** The unreserved, undesignated fund balance in the major operating funds grew from \$81.0 million at the end of 2003 to \$90.5 million at the end of 2004.
- ***Significant Improvements in the County's Credit Ratings:*** The three major credit rating agencies have responded to the County's fiscal progress by increasing the ratings assigned to the County's long-term general obligation debt ten times in total since February of 2003. During 2004, Moody's Investors Service raised Nassau's credit rating from Baa1 to A3, Standard and Poor's increased Nassau's credit rating from BBB+ to A-, and Fitch Ratings elevated the County's credit rating from BBB+ with a positive outlook to A- with a positive outlook. In June of 2005, Fitch ratings awarded Nassau County a double-notch upgrade, raising the County's credit rating from A- with a positive outlook to A+ with a stable outlook.
- ***Dramatic Reduction in Cash Flow Borrowing Requirements:*** The County did not issue a cash flow note during the 2004 fiscal year, marking the first time in recent history that the County did not require short-term financing for liquidity purposes.

Important strides were made within the Vertical as well. OMB, ARC and County-Stat continued to attract highly talented staff, with public and private sector experience, to add to their respective operations. The Vertical's Debt Manager worked with the County's bond counsel, the County Attorney's Office, and the Treasurer's Office to complete all but the final stages of a comprehensive private-use analysis of the County's debt portfolio. It is expected that the full analysis will be concluded by the end of the year. After considerable preparation, the Treasurer's Office and the Vertical's Debt Manager will be able to run DBC Debt Manager parallel beginning in October of 2005. The complete transition to the new system will occur by the beginning of the next fiscal year. The Treasurer's Office also addressed and resolved some long-standing Management Letter findings. The Department of Purchasing successfully managed the recently-introduced just-in-time inventory system for the procurement of office supplies and the administration is looking at other areas – notably travel purchases – in which to use this new procurement tool. The Department of Purchasing continued to improve the contract routing process; for the first time, the average and median time for the approval of contracts dipped below 30 days. The Department of Purchasing is working with the Department of Information Technology to upgrade the County's financial system. This upgrade includes a contract administration module which will allow for the fully digital routing of County contracts. The Office of Management and Budget continues to publish monthly budget reports to add greater refinement to its projections. OMB published the County's first program budget, which organizes the finances of the County by the services and programs it administers. OMB also published a Revenue Manual, which presents the legislative history and prior-year trends for each of the County's major sources of revenue. OMB consolidated and re-organized the County's antiquated system of object and sub-object codes, and the Office will publish the County's first Grants Plan to accompany the release of the 2006 operating budget.



Finally, the County made very significant progress in addressing the three major risks to its long-term financial recovery:

Medicaid Cap

The annual double-digit growth in the cost of unfunded State mandates – principally Medicaid – has imposed considerable strains on county budgets in the State of New York. To address this mounting problem, the Governor, the State legislature, and representatives from counties across the State of New York, led by County Executive Suozzi, negotiated a cap on the growth in the local share of Medicaid expenses.

The Medicaid Cap legislation establishes a formula for calculating the 2005 Medicaid Cap base. Going forward, Medicaid expenses for counties in New York State will be 3.5% more than the base in 2006, 6.75% more than the base in 2007, and 9.75% more than the base in 2008. After 2008, counties can continue to pay an annual increase of 3% in Medicaid expenses to the State, or they can elect to swap with the State an equivalent amount of sales tax revenues. Counties would choose the latter only if they reached the conclusion that future sales tax revenues are likely to grow an average of less than 3% per year.

The impact of the Medicaid Cap on Nassau's baseline is considerable, with savings estimated to reach \$26 million in 2006, \$52.2 million in 2007, \$76.4 million in 2008, and over \$100 million by 2009.

Assessment and Assessment Review Reform

For the first time since the beginning of the assessment crisis, the County will use operating funds in 2006, generated from a prior-year operating surplus, to make refund payments to residential and commercial taxpayers who successfully challenge their assessments. In prior years, Nassau has issued over \$1.8 billion in long-term debt to finance its refund payments.

To achieve this objective, the County has been implementing a series of strategies over the last three years designed to pay down accumulated refund liability to reasonable level while reducing the new refund liability added by each successive tax roll

In 2004, ARC, the County Attorney's Office, and the Office of the Treasurer worked together to process and pay \$184 million in accumulated property tax refunds, the largest amount of refund payments by the County in a single fiscal year. The refunds paid during 2004 reduced the County's estimated liability for unresolved property tax grievances by approximately \$77 million, from about \$387 million to \$310 million. This represents the largest single-year net reduction in the County's accumulated refund liability. The administration and the Comptroller's Office have agreed that the County needs to reduce its accumulated refund liability to \$230 million by the close of the 2005 fiscal year in order to sustain a PAYGO budget of \$50 million for property tax refunds beginning in 2006.

To reach this level of accumulated liability by the end of the 2005 fiscal year, the County will execute a refund without settlement strategy ("RWS Strategy"). The RWS Strategy will be rolled out in September of 2005. It will permit the County to maximize its utilization of funds borrowed through NIFA to reduce its accumulated refund liability by the end of the fiscal year. In the event that ARC



has made offers of settlement that are not accepted, ARC will process non-reversible unilateral refund payments through the Treasurer's Office to an escrow account, which will hold these payments on behalf of property owners and their legal representatives until they are claimed.

The administration has also focused attention on reducing the new refund liability that is added by each successive tax roll. The Department of Assessment conducts annual updates to the assessment roll in order to increase its accuracy. ARC makes sizeable administrative corrections to the tax roll before it is finalized, thereby avoiding potential refund payments necessitated by the county's guarantee. At the County's request, the Governor and the State Legislature also granted ARC a full year to review all property tax grievances, providing more time to resolve these grievances before the tax roll is closed. Finally, the County will begin to benefit from the application of transitional assessments to commercial properties. Transitional assessments were introduced by the Governor and the State Legislature to mitigate the impact of property value growth on taxes paid by owners of commercial properties. Transitional assessments also help the County because the impact of any valuation errors is phased in over time, affording the Department of Assessment or ARC an opportunity to correct over-assessments before the county is exposed to the full refund liability.

Given the increasing accuracy of the tax roll, unilateral assessment corrections administered by ARC, the one-year administrative review period to resolve grievances prior to the finalization of the tax roll, the impact of transitional assessments on commercial refund liability, and the planned implementation of the RWS strategy by September of 2005, the administration is confident that the year-end refund liability target will be achieved, the liability added by future tax rolls will be manageable, and the \$50 million PAYGO appropriation for tax refunds can be sustained.

The Nassau Health Care Corporation

The final major risk to the County's long-term fiscal recovery has been the financial condition of the Nassau Health Care Corporation. In the absence of significant corrective actions, the Corporation would have depleted its cash balances and been unable to make its February 1, 2005 pension payment. The County faced the possibility of having to increase its subsidy to the corporation in order to stabilize its diminished finances, draining resources that might be required to balance future County budgets.

To stabilize the finances of the Corporation, the County engaged a consultant – Manatt, Phelps, and Phillips ("Manatt") – to assess the problems facing the corporation and provide a series of recommendations for its eventual recovery. Manatt identified six basic flaws in the operations of the Corporation: a governance structure with limited local accountability; the burden of paying off its initial 1999 bond issue; the adversarial relationship between the County and the Corporation fostered by the acquisition and services agreements; an ill-conceived marketing strategy; inefficient and underutilized programming; and the generally problematic environment for public hospitals in the State of New York.

Manatt's recommendations were summarized as part of a 5-point plan to restructure the operations of the Corporation to focus on its core competency as a community health care provider. The 5-point plan includes:



- Operational improvements designed to reduce costs, rightsize staffing consistent with industry standards, introduce affiliation agreements with neighboring hospitals, and improve the corporation's revenue collection.
- Rate changes approved by the New York State Department of Health as part of a comprehensive relief package.
- Relocation of a new, smaller-sized A. Holly Patterson nursing home to the campus of the Nassau University Medical Center, facilitating the sale of the Uniondale property, the marketing of the licenses to 300 excess nursing home beds, and the use of the proceeds from the sale of the property to reduce outstanding debt.
- A refunding of the Corporation's 1999 bonds, as well as the issuance of new money debt to enable the Corporation to make the 2005 pension payment and to undertake necessary capital improvements.
- An interim stabilization agreement between the County and the Corporation intended to provide the corporation with cash flow relief through the end of 2005, resolve disputed charges, override certain unworkable language in existing agreements, and identify the principles to govern more comprehensive successor arrangements.

In October of 2004, the County and the Corporation executed the stabilization agreement and closed on a combined refunding and new money transaction.

There were three components to the 2004 refunding and new money transaction which totaled \$303.4 million: \$18.3 million in tax-exempt fixed rate bonds, \$65.5 million in taxable auction rate bonds, and \$219.6 million synthetic fixed rate debt, in which tax-exempt variable rate bonds which were hedged with a swap based on a percentage of the London Interbank Offered Rate ("LIBOR").

The 2004 transaction legally defeased all of the debt from the Corporation's 1999 financing, allowing the County and the Corporation to alter the business terms imposed by the 1999 indenture. The 2004 transaction changed the nature of the security for the bondholders. The prior deal required the creation of an operating reserve as well as a debt service reserve fund. The County was required to replenish the Corporation's debt service reserve fund in the event it was utilized. Under the terms of the 2004 transaction, the County provides a direct pay guarantee in which the County pays the debt service associated with the Corporation's bonds directly to a trustee and nets these amounts against the service and subsidy payments it makes to the Corporation. The direct pay guarantee provides a stronger pledge than the previous transaction, eliminating the need for a debt service reserve fund, an operating reserve fund, and the County's replenishment requirement. The County secured its guarantee through a separate regulatory agreement by, among other things, obtaining liens on all of the assets of the Corporation.

The money liberated from the debt service reserve fund and the operating reserve fund was used in the refunding escrow, lowering the refunding par needed to legally defease the 1999 bonds by approximately \$26 million. This, in turn, allowed the Corporation to issue taxable auction rate debt in roughly the same amount in order to make its 2005 pension contribution. The additional taxable auction rate debt was issued in anticipation of a possible sale of the A. Holly Patterson property in Uniondale to a private developer. The proceeds from such a sale, estimated to range from \$30 million to \$70 million, will be used to retire this debt, which is structured to provide a maximum cash flow benefit to the Corporation in the mid-term and can be called at any time without penalty. The Corporation will use \$15 million of the new money proceeds for necessary capital improvements.



The \$219.6 million in synthetic fixed rate bonds took advantage of the ability of the Corporation to enter into interest rate exchange agreements to hedge its floating rate debt exposure. The Corporation entered into three separate interest rate exchange agreements in which it agreed to pay a predetermined fixed rate of 3.457% and receive 62.6% of LIBOR, a taxable index, plus a spread of 23 basis points. This formula mitigates the impact of yield compression in a low interest rate environment when tax exempt variable rate securities trade at levels higher than their implied value. The refunding, enhanced by the LIBOR-based interest rate swaps, is expected to generate cash flow savings of \$56.7 million over the term of the underlying debt, yielding a present value savings of \$22.5 million or 8.656% of par.

Subsequent to the 2004 transaction, the Corporation executed a callable floating-to-fixed interest rate swap on the \$65.5 million of taxable auction rate debt, creating a low-cost synthetic fixed-rate structure to hedge against the possibility of rising interest rates in the period before the potential sale of the A. Holly Patterson property. In this swap, the Corporation pays a fixed rate of 4.61% and receives a floating rate equal to 1-month LIBOR.

The 2004 transaction stabilized the Corporation's cash position, allowing it to end the 2004 fiscal year with a deficiency in net assets of \$20.3 million. The Corporation reports that \$6.3 million of this deficiency represents non-cash accounting losses generated by the marked-to-market valuation of its interest rate swaps, the amortized loss associated with the refunding, and the cumulative effect of a change in accounting principle.

The 2004 transaction has allowed the Corporation the opportunity to implement the other components of the 5-point recovery plan. In the first quarter of 2005, the Corporation undertook another round of layoffs and concluded negotiations with its labor union. Discussions are ongoing with the New York State Department of Health to secure approvals of certificates of need, regulatory relief, and favorable rate changes. The Corporation is addressing its revenue cycle and supply chain management, and has negotiated an affiliation agreement with the North Shore – LIJ health system. Through August of 2005, the Corporation reports that it remains on target to achieve its budgeted loss of \$6.5 million, with the expectation of approaching a break-even run rate by the conclusion of the fiscal year.





AR - ASSESSMENT REVIEW COMMISSION

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	2,063,063	2,734,993	1,119,590	3,548,357
	BB -EQUIPMENT	460	50,000	-	40,000
	CC -MATERIALS & SUPPLIES	-	5,000	-	-
	DD -GENERAL EXPENSES	52,937	111,375	81,545	168,000
	DE -CONTRACTUAL SERVICES	1,511,871	1,133,000	908,296	1,790,000
	HF -INTER-DEPARTMENTAL CHARGES	130,266	876,067	-	-
Expense Total		3,758,597	4,910,435	2,109,431	5,546,357
Revenue					
	BF -RENTS & RECOVERIES	2,351	-	-	-
	BH -DEPT REVENUES	4,500	9,000	-	-
	NA -NIFA AID	-	4,300,000	-	-
Revenue Total		6,851	4,309,000	-	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	43	13	0
2005 Adopted Headcounts	37	14	0

PERFORMANCE INDICATORS: ASSESSMENT REVIEW COMMISSION

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Residential			
# Of Residential Appeal Applications Reviewed	106,557	120,000	100,000
% Of Protested Residential Value Reduced	33%	n/a	n/a
Average residential reduction	10%	n/a	n/a
Commercial			
# Of Commercial Appeal Applications Reviewed	18,116	18,000	18,000
% Of Protested Commercial Value Reduced	13%	n/a	n/a
Average Commercial Reduction	22%	n/a	n/a

ARC actions on applications for correction filed in year indicated.



ASSESSMENT REVIEW COMMISSION

The Assessment Review Commission (ARC) is a quasi-judicial arm of the County government consisting of a chairperson and eight other commissioners appointed by the County Executive with the approval of the County Legislature. ARC is authorized to hire appraisers and other staff. The Chairperson has authority to designate commissioners or employees to act as hearing officers on individual assessment matters. In addition, ARC has been assigned the function providing valuation resources in support of the County Attorney's defense of commercial assessments.

VISION

The Assessment Review Commission's vision is to continue to reduce the number of appeals over time, further limiting the County's tax refund liability.

ARC will accomplish its vision by:

- Making unbiased and accurate real estate market valuation and classification decisions
- Where appeals do occur, to provide an appeal process that is accessible and easily understood in a professional manner that treats citizens and representatives with fairness, respect and integrity.

ARC will accomplish its mission by maintaining knowledgeable and professional appraisal, technical, legal, administrative and support staffs utilizing sound appraisal, statistical and audit procedures.

MISSION

The Assessment Review Commission's mission is to review every property assessment challenge filed annually and reduce excessive property assessments where warranted, in accordance with New York State law.

GOALS

- Review of all Property Tax Assessment challenges.
- Conduct in-house conferences and pre-Small Claims Assessment Review settlement conferences.
- Reduce the County's tax liability by increasing the number of unilateral reductions and improving the quality of assessments; both of which will result in the minimization of tax refund payments.



2006 BUDGET HIGHLIGHTS

The Assessment Review Commission's Fiscal 2006 Adopted Budget is \$5.5 million. Included in this budget is \$3.5 million in salary related expenses for 43 full-time employees, \$2 million in other than personal expenditures. It also excludes revenues derived from NIFA Aid which has ended in 2005.



OFFICE OF MANAGEMENT AND BUDGET



BU - OFFICE OF MANAGEMENT AND BUDGET

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	3,343,567	2,692,683	1,731,331	2,578,313
	BB -EQUIPMENT	347	37,311	498	7,500
	DD -GENERAL EXPENSES	26,200	31,017	28,399	44,140
	DE -CONTRACTUAL SERVICES	646,899	300,000	111,200	250,000
	HF -INTER-DEPARTMENTAL CHARGES	31,740	399,348	-	-
Expense Total		4,048,753	3,460,359	1,871,429	2,879,953
Revenue					
	BF -RENTS & RECOVERIES	55,144	-	-	-
RevenueTotal		55,144	-	-	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	33	1	0
2005 Adopted Headcounts	35	2	1

PERFORMANCE INDICATORS: OMB

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
# Of Supplemental Appropriations	196	165	165
Average # of days to process Supplemental Appropriations in OMB	19	18	18
# Of Budget Transfers Processed	150	130	130
Average # of Days to Process Budget Transfers in OMB	13	13	13
# Of Meetings Conducted With Various Department in the Performance Measurement Program	95	70	85
# Of Issues Under Review	428	399	400



OFFICE OF MANAGEMENT AND BUDGET

The Office of Management and Budget is divided into several separate components. Central OMB is responsible for developing the annual budget and MYP, monitoring expenditures and revenues, and providing fiscal support to County departments. It also serves as the primary liaison to the fiscal oversight community and the public. Budget Development and Analysis is a team of staff dedicated by the Budget and Finance Vertical to provide fiscal and technical support to County departments on an as-needed basis. Performance Measurement includes County Stat, which is responsible for monitoring departmental performance and improving operations

OMB accomplishes its mission through the strict adherence to established and generally accepted financial policies and best practices. It also is dedicated to:

- Developing an operating budget, capital budget and multi-year financial plan that is based on realistic assumptions
- Monitoring spending and revenue collection on a monthly basis and regularly processing fiscal transactions on behalf of County departments
- Working with departments to ensure that multi-year plan initiatives are being implemented successfully and on schedule
- Linking performance to fiscal decision-making
- Regularly updating the fiscal oversight community and the public on the County's fiscal condition

VISION

The Office of Management and Budget is a team of financial professionals dedicated to making financial decisions and developing long-term financial plans that are founded on realistic and accurate assumptions so that the County can advance its vision and mission. It is committed to establishing a collaborative working relationship with County departments to assist them in making financial decisions and in providing them with the resources necessary to achieve their goals and objectives. It also is determined to provide reliable and understandable financial information to the County's managers, the fiscal monitors and the public.

MISSION

The mission of the Office of Management and Budget is to ensure that the County's budget is in balance and that it allocates its resources in a manner that is consistent with the County's priorities and with the goals and objectives of County departments.



GOALS

- Develop an Operating Budget, Capital Budget and Multi-Year Financial Plan that is balanced and based on realistic assumptions and approved by the County Legislature and NIFA.
- Work with departments to ensure that spending and revenue generation are meeting targets and that MYP initiatives are being implemented.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Office of Management and Budget (OMB) totals approximately \$2.9 million. This includes approximately \$2.6 million in salary-related expenses for 33 full-time employees, \$301,640 in other-than personal services expenditures.

The Budget and Finance vertical has developed a professional in-house staff. Functions performed by outside consultants in prior Administrations such as cash management, debt management and labor analysis are now performed by County personnel.



DEPARTMENT OF PURCHASING



PR - PURCHASING DEPARTMENT

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	1,275,361	1,316,287	744,022	1,429,463
	BB -EQUIPMENT	6,184	3,040	-	2,300
	CC -MATERIALS & SUPPLIES	2,378	950	(1)	-
	DD -GENERAL EXPENSES	16,063	19,800	7,170	33,250
	DE -CONTRACTUAL SERVICES	-	-	-	93,363
	HF -INTER-DEPARTMENTAL CHARGES	221,242	463,741	-	237,588
Expense Total		1,521,229	1,803,818	751,191	1,795,964
Revenue					
	BF -RENTS & RECOVERIES	43,470	30,000	86,155	50,000
	BH -DEPT REVENUES	4,000	253,783	79	15,000
	BJ -INTERDEPT REVENUES	2,056,567	2,202,218	-	858,709
Revenue Total		2,104,037	2,486,001	86,234	923,709

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	24	0	0
2005 Adopted Headcounts	23	0	0

PERFORMANCE INDICATORS: PURCHASING

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Procurement Process			
# Of Direct Purchase Order Submitted By Agencies	5,331	5,016	4,500
# Of Contracts Residing In a Department's Queue Over 100 Days	1,246	120	75
Monthly Avg # Of Instances Over 100 Days	108	15	10
# Of Contracts Residing in a Department's Queue Over 60 Days	1,788	246	150
Contract Process			
# Of Contracts Rejected	25	28	25
Average # Of Days Of Rejection Process	31	40	25
Total Average Days Contracts In Process	56	32	30



DEPARTMENT OF PURCHASING

Under Government Law, the Office of Purchasing is responsible for the purchase of all materials, supplies, and equipment for County departments with the exception of the Board of Elections. This is accomplished by the determination of applicable procurement procedures, price and vendor selections, placement of purchase orders and procurement contract administration.

GOALS

- Acquire new Information Technology hardware & software enhancements to better serve for the entire County.
- Partner with Suffolk County to aggregate purchasing volumes for economies of scale savings.
- Increase skill levels and industry and product awareness by Purchasing staff as well as the User.
- Institute On Line Vendor Registration, on-line bid solicitation and on-line vendor bid submission processes to achieve administrative efficiencies.

VISION

To serve all County co-workers in a team environment in order to deliver timely, efficient and cost effective procurement services. To be a change agent, reaping continuous improvement and savings through technology and professional sourcing and procurement techniques.

MISSION

We shall serve all Nassau County agencies and the business community by procuring goods and services in an atmosphere that promotes teamwork, communication and professionalism by treating all prospective vendor sources in an equal manner and ensuring free and open competition. Establishing and maintaining an arm's length relationship with all vendors and strictly adhering to all applicable laws and procedures.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Department of Purchasing totals approximately \$1.8 million. This primarily represents salary-related expenses for 24 full-time employees, \$366,501 in other-than personal services expenditures including \$237,588 in inter-departmental charges. The Purchasing Department will continue the implementation of the Just In Time (JIT) Initiative, which will make the County more efficient and will save in the administration of purchasing Office Supplies. Furthermore, Purchasing will begin implementing additional Procurement Account purchases for travel related expense utilizing similar procedures as the JIT program.

During the latter part of 2005 and continuing into 2006, Purchasing will initiate phases of on-line bid solicitation and vendor bid registration and submission to reduce administrative efforts and increase efficiencies. During the fiscal year 2006, the department will continue work towards enhancing the electronic contracts routing process by decreasing the time it takes to process a contract from start to finish within the NIFS financial system.



TR - COUNTY TREASURER

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	2,328,473	2,861,420	1,263,960	2,683,193
	BB -EQUIPMENT	7,842	9,832	359	9,913
	DD -GENERAL EXPENSES	248,625	325,500	243,125	327,675
	DE -CONTRACTUAL SERVICES	490,854	650,000	624,429	559,260
	HF -INTER-DEPARTMENTAL CHARGES	162,402	947,290	-	-
Expense Total		3,238,196	4,794,042	2,131,873	3,580,041
Revenue					
	BA -INT PENALTY ON TAX	22,683,567	24,180,000	9,843,347	24,000,000
	BD -FINES & FORFEITS	13,840	12,000	8,801	8,000
	BE -INVEST INCOME	9,909,883	9,000,000	6,288,286	13,473,840
	BF -RENTS & RECOVERIES	15,578	75,000	271,051	-
	BH -DEPT REVENUES	879,557	280,000	266,843	440,000
	BO -PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	-	4,500,000	252,484	-
	TX -SPECIAL TAXES- SPECIAL TAXES	5,114,033	5,970,000	1,601,892	4,560,000
Revenue Total		38,616,458	44,017,000	18,532,705	42,481,840

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	47	0	0
2005 Adopted Headcounts	45	0	0

PERFORMANCE INDICATORS: TREASURER

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Investments			
Average Investment Income per month	0	\$1,083,333	\$916,667
Refund Payments			
Total \$ amount of Tax Certiorari Refunds and Cancellations processed	\$185,000,000	\$194,000,000	\$65,000,000
Tax Sale			
Total # of Tax Lien Sales	3,817	3,244	4,000
Total \$ amount of Liens Sold	\$17,700,000	\$18,573,737	\$18,000,000
Total \$ amount of Liens acquired by County	\$930,000	\$873,756	\$1,000,000



OFFICE OF THE TREASURER

Under the direction of the Treasurer, the office acts as custodian of all funds belonging to the County or in which the County has an interest. It has the primary responsibility for the issuance of all County debt and invests excess funds as available. It is organized into three units: Debt and Investment; Tax Sale and Records; Tax Certiorari and Accounting.

MISSION

The mission of the Office of the County Treasurer is to operate a public office compliant with governing law that will provide efficient, world-class service through excellent treasury management.

Debt and Investments

This unit is responsible for the issuance of all debt including short-term notes such as Revenue Anticipation Notes, Tax Anticipation Notes and Bond Anticipation Notes. Investment of short-term excess cash is a daily activity.

Tax Sale and Records

This unit is responsible for the collection of all current and prior years' delinquent taxes, and the maintenance of official county tax records. Annually in February, a Tax Lien Sale is conducted by auction of uncollected taxes.

Tax Certiorari Unit

This unit processes all Petitions, Judgments and Small Claims decisions, and ensures prompt and accurate payments.

Accounting

The Accounting unit maintains records of all cash receipts and disbursements of the County as well as all the debt issued by the County, or on the county's behalf by the Nassau Interim Finance Authority (NIFA). It also maintains the schedule of upcoming debt service payments. This department also encompasses the check writing and the cashier unit. Check writing processes checks, affixes the Treasurer's signature onto them, seals them and distributes them. The cashier unit handles Cash receipts, prepares deposits and records these deposits into the accounting system.

Achievements

In 2005 the Treasurer's Office we accomplished the following goal achievements:

1. The automated debt service system will commence 10/1/05. Payments of principal and interest for payment will be done by the system and replace the old manual ledger. In the future debt service payments will be integrated to update NIFS from the automated debt service system.
2. Electronic banking is now operative for all our major banks and banking activities.
3. Borrowing has been reduced by employing scientific automated cash flow procedures.
4. Laser printed checks have now replaced the old machine prepared checks. This new equipment has replaced old equipment which was outdated and expensive to maintain.



GOALS

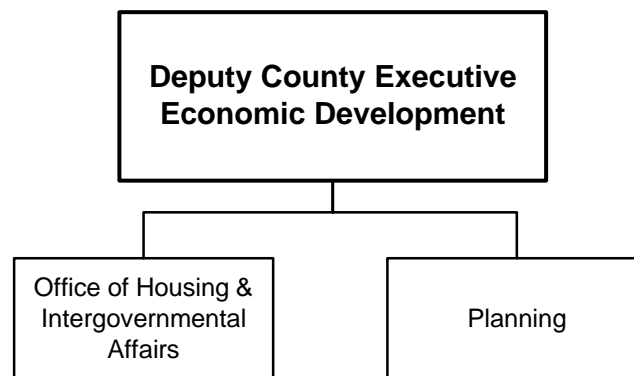
5. Implement putting tax records on the Web.
6. Integration to the general ledger of our automatic debt service system.
7. Eliminating check payments with electronic wire payments.
8. Further improvements in accounting systems through installation of state of the art procedures, techniques and systems.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the County Treasurer consists of approximately \$3.6 million in expenses and \$42.5 million in revenue. Included in the expenses are the salaries of 47 employees. Lien service fees are included in these expenses as the Treasurer will aggressively pursue delinquent tax payments which will contribute to its revenue numbers. This budget includes \$24 million in revenue generated from tax lien collections, investments and collection of various taxes (excluding property taxes).

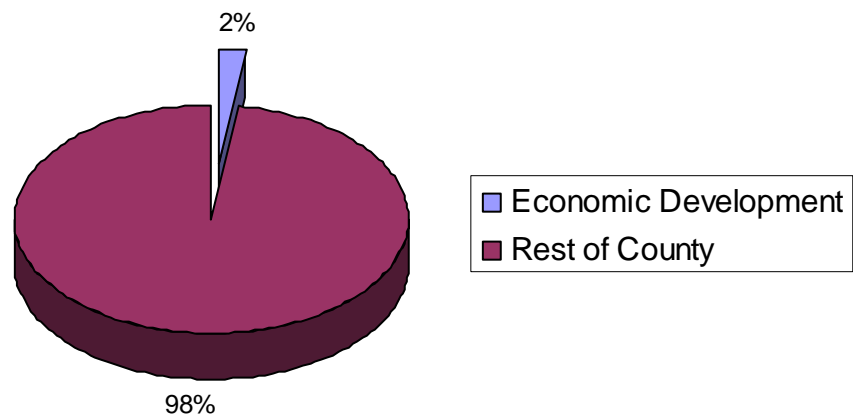


ECONOMIC DEVELOPMENT VERTICAL

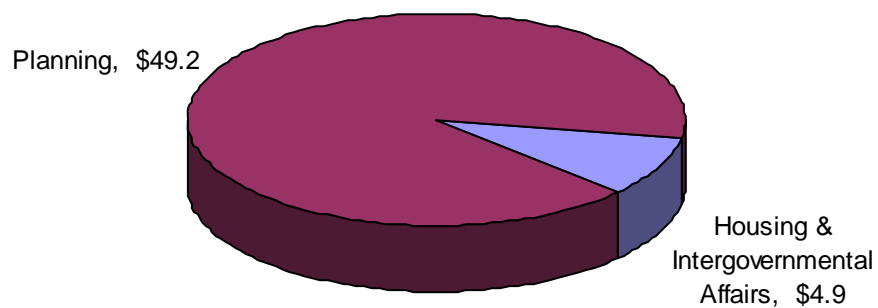




Economic Development Expenses as % of Total Expenses



Economic Development Vertical





ECONOMIC DEVELOPMENT VERTICAL

The Economic Development Vertical (EDV) provides and/or administers programs and services that foster economic growth in Nassau County for its residents and businesses.

To meet its vision, the EDV will:

- Develop strategies to increase the units of Next Generation housing, improve our transportation systems, promote the preservation of open space and advance the quality of education, so that Nassau County residents can fulfill the industry demand for highly skilled workers and enjoy the quality of life Nassau County is renown for today.
- Target industries in Nassau County's downtowns, our emerging minority communities, on Brownfields that will be remediated and returned to productive reuse, and in the economic center of Long Island, the Nassau County HUB.

VISION

To ensure the sustainable development of Nassau County's economy into the future, the Economic Development Vertical will focus its strategies on Next Generation Housing as well as the attraction and retention of businesses in the High Technology/High-Skilled, Sports, Entertainment and Tourism industries; businesses that will increase the County's tax base and create high wage jobs for our skilled workforce

The Mission will be achieved by:

- Expanding the County's tax base
- Addressing the County's affordable housing needs
- Creating high-wage jobs with good benefits
- Preserving our suburban quality of life

MISSION

The mission of the Economic Development Vertical (EDV) is to promote sustainable economic development, expand Nassau County's tax base and improve the economic, environmental and overall quality of life for Nassau County residents and business owners.

To fulfill its agenda, the County Executive has created a blueprint for "New Suburbia". This is a 10-point plan that focuses on three key areas in order to expand the County's tax base, improve traffic flow, protect our environment and create a range of housing options.

Support and Promote:

- High Tech/High Skilled Industry
- Sports/Entertainment/Tourism/Retail
- Next Generation Housing



Target Development in 4 Locations:

- Downtowns
- Brownfields
- Emerging Minority Communities
- The Nassau “HUB”

Invest in Infrastructure Improvements:

- Transportation
- Open Space
- Schools/Education

DESCRIPTION

The **Economic Development Vertical’s Administration** consists of the Deputy County Executive (DCE) for Economic Development, Executive Director of Operations & Finance, Deputy Directors of: 1) Government & Community Affairs; 2) Operations; 3) Budget & Finance; 4) Research; as well as the Administrative and Executive Assistants to the DCE, and the Director of Communications.

The **Office of Housing and Intergovernmental Affairs (OHIA)** is the overall administrative agent for the Federal Community Development Block Grant (CDBG) Program, the HOME Investment Partnership Program (HOME) and the Emergency Shelter Grant Program (ESG). Nassau County applies for funding based on census data reported to the U.S. Department of Housing and Urban Development (HUD), and participates with Nassau’s 30-member consortium that includes the three large towns (Hempstead, North Hempstead and Oyster Bay), two cities (Glen Cove and Long Beach), the Villages of Freeport, Hempstead and Rockville Centre and 22 smaller villages. The CDBG Program is a federal entitlement program that assists low and moderate-income persons and addresses urgent community development needs. OHIA receives a total grant allocation of approximately \$22 million for the Consortium and eligible program/service providers.

The Nassau County **Housing Choice Voucher Program (HCVP)** is the local administrator of the NYS Division of Housing and Community Renewal (DHCR) Section 8 Housing Choice Voucher Program. The Housing Choice Voucher Program increases affordable housing choices for very low and low-income families. Families with vouchers choose and lease safe, decent and affordable privately owned rental housing. HCVP receives a total grant allocation of \$2.1 million from HUD to administer its programs in Nassau County. The NYS Office of Temporary & Disability Assistance’s Homelessness Intervention Program (HIP) provides supportive, empowerment-based case management services to families and individuals who are homeless and to those in danger of becoming homeless. The program’s emphasis is to develop self-sufficiency and prevent additional homeless episodes through education, supportive counseling and referral to other service providers. In 2003, the HCVP program was awarded a five year grant totaling \$1,094,635 from NYS OTDA providing \$218,297 annually thru 2008 for the administration of the County’s HIP efforts.

The role of the **Economic Revitalization Unit (ERU)** is to establish and execute a broad based program for economic attraction, retention, expansion and new business development in Nassau County and to aggressively promote Nassau County’s economy. In addition, the ERU plans to fully implement strategic partnerships with other public and private alliances, and organizations chartered to promote and provide incentives for economic growth as a unified venture.



The key objectives of the ERU are to:

- Create an effective Business Attraction/Recruiting outreach campaign to bring new business into Nassau County.
- Create an effective Business Retention Program and communication process to protect existing Economic base and encourage expansion of present capacities.
- Outreach programs to reach small and medium businesses, non-profit organizations and minority and women-owned firms.
- Market Nassau County's Economy to companies and organizations of interest to by guiding and encouraging their growth.
- Inspire a heightened awareness among County government and general public and emphasize networking successes.

The primary objective of the **Brownfields Redevelopment Unit (BRU)** is to facilitate redevelopment of brownfields (sites with the potential for development or re-use but remain unused or underused because of known or suspected environmental contamination). Redevelopment of these sites will provide such economic benefits as creating jobs, increasing the municipal tax base, mitigating potential health or environmental risks, and maximizing existing infrastructure.

Over the past year, BRU has partnered with the U.S. Environmental Protection Agency (EPA), NYS Department of Environmental Conservation (NYSDEC), New York City Partners for Community Revitalization, the Low Income Investment Fund and members of the brownfields redevelopment community to establish and capitalize the *New York Metro Brownfields Redevelopment Fund Program*, which offers low-interest loans for the cleanup of contaminated property in ways that will facilitate implementation of the County's Economic Development Program.

Upcoming BRU efforts include the redevelopment of tax-delinquent brownfields and abandoned gas-stations. Additionally, BRU will support local municipalities in the establishment of a NYS designated Brownfield Opportunity Areas in Nassau County – through partnership with the NYS Department of Environmental Conservation (NYSDEC), a local community-based organization, and the local municipality. This designation will enable the impacted community to put strategies in place to return dormant sites and areas back to productive use.

The **Nassau County Public Utility Agency (NCPUA)** was established in 1984 as an economic development tool under New York State's "Economic Development Power" (EDP) program. This program is designed to provide discounted power to businesses that commit to create or retain jobs in New York State. Under this program, NCPUA is currently under contract with the New York Power Authority (NYPA) to receive five megawatts of power, which it in turn distributes, under contract, to businesses located in Nassau County in order to facilitate the EDP program's objectives in the County.

HOUSING AND INTERGOVERNMENTAL AFFAIRS



HI - HOUSING & INTERGOVERNMENTAL AFFAIRS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	641,472	881,616	482,984	1,100,029
	BB -EQUIPMENT	-	7,600	3,409	7,000
	DD -GENERAL EXPENSES	10,845	73,592	7,690	196,500
	DE -CONTRACTUAL SERVICES	275,059	6,025,000	52,800	2,575,000
	HF -INTER-DEPARTMENTAL CHARGES	-	514,432	-	1,049,229
	HH -INTERFD CHGS - INTERFUND CHARGES	846,697	-	-	-
Expense Total		1,774,073	7,502,240	546,883	4,927,758
Revenue					
	BG -REVENUE OFFSET TO EXPENSE	-	500,000	-	150,000
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	-	755,657	20,576	582,838
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	-	300,000	-	400,000
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	-	4,950,000	-	1,800,000
Revenue Total		-	6,505,657	20,576	2,932,838

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	13	0	0
2005 Adopted Headcounts	11	0	0



HOUSING AND INTERGOVERNMENTAL AFFAIRS

DESCRIPTION

The **Office of Housing and Intergovernmental Affairs (OHIA)** is the overall administrative agent for the Federal Community Development Block Grant (CDBG) Program, the HOME Investment Partnership Program (HOME) and the Emergency Shelter Grant Program (ESG). Nassau County applies for funding based on census data reported to the U.S. Department of Housing and Urban Development (HUD), and participates with Nassau's 30-member consortium that includes the three large towns (Hempstead, North Hempstead and Oyster Bay), two cities (Glen Cove and Long Beach), the Villages of Freeport, Hempstead and Rockville Centre and 22 smaller villages. The CDBG Program is a federal entitlement program that assists low and moderate-income persons and addresses urgent community development needs. OHIA receives a total grant allocation of approximately \$22 million for the Consortium and eligible program/service providers.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Office of Housing and Intergovernmental Affairs totals approximately \$4.9 million. Included in this amount are salary related expenses of \$1.1 million for 13 full time employees, \$3.8 million in other-than personal services expenditures which includes the various ERU projects stated in the Vertical's description and \$1 million in inter-departmental charges. Revenues for the Department include \$582,000 from other funds and approximately \$2.2 million from various grants from the Federal Environmental Protection Agency and New York State Department of Environmental Conservation.

Funds allocated for the County's new Initiative for Economic Attraction, Retention and Expansion will cover personnel, advertising and related materials, plus establishing external community and business relationships to promote the strong economic message of Nassau County on a regional, national and international scale to ignite new and expanded investment here.

This necessary economic expansion will also be coordinated with our other programs of outreach and assistance for overall neighborhood revitalization, as well as minority community employment and business development, working with our Office of Minority Affairs.

Commencement of Nassau County's anticipated Empire Zone Program will also be of great help in this effort.



PL - PLANNING

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	1,296,388	1,707,514	732,209	1,713,256
	BB -EQUIPMENT	23,772	7,172	5,852	546
	CC -MATERIALS & SUPPLIES	4,191	3,995	-	-
	DD -GENERAL EXPENSES	88,026	73,599	50,043	114,031
	DE -CONTRACTUAL SERVICES	2,896,833	586,000	281,320	1,347,500
	HF -INTER-DEPARTMENTAL CHARGES	175,232	871,946	-	-
	OO-OTHER	-	60,000	-	60,000
	MM -MASS TRANSIT	41,214,474	45,095,797	11,641,896	45,981,120
Expense Total		45,698,916	48,406,023	12,711,320	49,216,453
Revenue					
	AA -FUND BALANCE	-	-	-	1,000,000
	BD -FINES & FORFEITS	-	30,000	-	30,000
	BF -RENTS & RECOVERIES	153,296	-	-	-
	BH -DEPT REVENUES	1,318,797	1,095,500	185,686	1,095,500
	BJ -INTERDEPT REVENUES	962,705	1,508,742	-	-
	BK -SERVICE FEES	25,370	260,000	7,051	-
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSE	1,145,754	-	746	110,000
	TX -SPECIAL TAXES- SPECIAL TAXES	621,952	-	178,134	-
Revenue Total		4,227,874	2,894,242	371,617	2,235,500

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	21	14	0
2005 Adopted Headcounts	21	14	0

PERFORMANCE INDICATORS: PLANNING

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Zoning			
# Of New Applications Received	2,759	2,688	2,688
# Of Applications Denied	53	57	57
Subdivision Waivers			
# Of Applications Processed	N/A	110	110
# Of Applications Approved	95	102	102
Average Time to Approve or Deny In Weeks	N/A	1.8 weeks	1.8 weeks
Transportation			
# Of Bus Shelters w/ Paid Advertisement	105	100	100
# Of Bus Shelters w/o Paid Advertisement	235	245	245
# Of Maintenance Checks Performed	264	298	298



PLANNING DEPARTMENT

The Nassau County Planning Commission, as defined in Section 1610 of the County Charter, is responsible for approving subdivision of land within the County. The Planning Department processes and reviews subdivision applications and makes recommendations to the Planning Commission.

The Nassau County Planning Department is also charged with advising the County Executive, the County Legislature and County departments in regard to the physical development of the County. The Planning Department is entrusted to work towards physically harmonious, economically sound and socially beneficial development within the County. The Planning Department works with other municipal planning boards, agencies and officials in Nassau County's cities, towns, and incorporated villages with respect to the physical development of the County's 69 municipalities.

VISION

The Planning Department's vision is to oversee the orderly growth and development of the County seeking to balance economic growth with environmental protection and historic preservation.

The Nassau County Planning Department is divided into three divisions: Land Use Planning, Transportation and Geographic Information Systems (GIS). The Land Use Planning Division is responsible for review and analysis of subdivision applications, zoning map/code revisions, and development applications that appear before the Planning Commission. In an arrangement that is unique among New York counties, the Planning Commission has original jurisdiction over subdivisions within the County's three towns and advisory jurisdiction over all County land use matters. The Land Use Division also processes and reviews zoning referrals received from Nassau County's 69 municipalities and makes recommendations to the Planning Commission after reviewing and analyzing each zoning matter referred. The Commission also is charged with the review of all land sales by Nassau County, and any County open space acquisition.

The Planning Department's Transportation Division represents Nassau County at all New York Metropolitan Transportation Council (NYMTC) and key committee meetings. As NYMTC is the official metropolitan planning organization (MPO) for the New York region, it is also the organization through which federal transportation funds are funneled. In order to ensure the flow of Federal highway and transit dollars, the Department's Transportation Division oversees the preparation and administration of the Unified Planning Work Program (UPWP), which is a requisite planning element of the Federal Transportation Equity Act for the 21st Century (TEA-21). A second function is participation in the preparation and administration of the Transportation Improvement Program (TIP), a process whereby municipalities, Nassau and Suffolk counties, the MTA and the New York State Department of Transportation propose major capital projects, which are then ranked and selected for funding. A third major area of responsibility is the ongoing administration of grants for MTA Long Island Bus, as well as the Nassau Hub Planning Initiative. The division is charged by the Federal Transit Administration to exercise oversight over MTA Long Island Bus in the areas of routing, operations, system maintenance, finance, capital program, and other areas. The fourth major area of responsibility is project management/support. The Transportation Division will be responsible for managing the Nassau HUB Planning Initiative from completion of the Major Investment Study



through the environmental and engineering phases. In addition, Division staff will provide technical support on other planning projects, such as developing the transportation component of the Five Regions Plan and formulating a County-wide transportation policy and strategic implementation plan. Beyond the four major areas of responsibility, other functions performed by the Transportation Division include participating in NYMTC working groups, supporting the implementation of the Commute Alternatives Program (CAP), overseeing the County's bus shelter and bus bench program, and serving as a liaison to the Transportation Citizens Advisory Committee, the public participation component of the Federally mandated transit program for the physically challenged.

The Planning Commission also acts as the County Legislature's agent in reviews mandated under the State Environmental Quality Review Act (SEQRA) for actions taken by the County Executive, County Legislature, and the Planning Commission itself. The volume of these reviews is expected to greatly increase in 2006 as the Legislature undertakes new initiatives, specifically capital bonding resolutions, the disposition of County-owned properties and the acquisition of open space using the Open Space Fund and other possible funding sources.

MISSION

The Planning Department's mission is to promote sustainable economic development in harmony with the natural environment, creating high-wage jobs, expanding the tax base and improving the quality of life for County residents.

GOALS

- The Planning Department staff will continue to carefully process and review all matters brought before the Planning Commission and will continue to make reasonable recommendations to the Planning Commission. Department staff will continue to analyze and review all subdivision proposals against uniform and reasonable criteria to determine whether the subdivision is in compliance with the County's development goals. Although the local towns, cities, and villages within Nassau County have zoning and land use power, the Planning Commission, as charged by the County Charter, makes recommendations as a regional oversight agency.
- Department staff will continue to work to balance the County's growth and economic development, while at the same time protecting the environment. Staff will continue to work with and advise the Planning Commission in the area of environmental review and the SEQRA process. Staff also will continue to represent the County Executive and the Commission before many environmental groups, and will continue to work with OSPSAC in the acquisition of open space in the County.
- Planning Department staff will continue to work to improve the quality and safety of transportation systems within the County. In addition, staff will work to reduce pollution and congestion and improve safety within the County's roadway network. Staff will continue to assist the County in its oversight role of MTA Long Island Bus, as well as work to improve public transit service within the County. Department staff will also continue advising the County Executive and County staff on transportation issues, as required by the County Charter.



2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Planning Department totals \$49.2 million in expenses and approximately \$2.2 million in revenue. The major component of the expense budget is approximately \$46 million in mass transportation subsidies. Nassau County is providing \$10.5 million for Long Island Bus services, including \$7.5 million for fixed routes (\$3.1 million higher than what was provided in Fiscal Year 2004). The para transit route's subsidy is \$3 million. The funding for these subsidies is beyond mandated amounts set by the State, for transportation subsidies. The Budget includes \$1.7 million in salary-related expenses for 21 full-time employees.

Between February 2003 and June 2005, the Planning Department facilitated the County Executive's 35 Economic Development Zone meetings to understand the specific needs and interests of local communities. As a result of this process, the Department identified opportunities for follow-up study and project development. These projects range from corridor studies of major thoroughfares with traffic and land use challenges to identifying and analyzing important parcels for redevelopment in accordance with the County's economic development plan. Funding of \$1 million to procure services for technical consulting to provide expertise and facilitate community-based planning throughout the County is provided by fund balance.

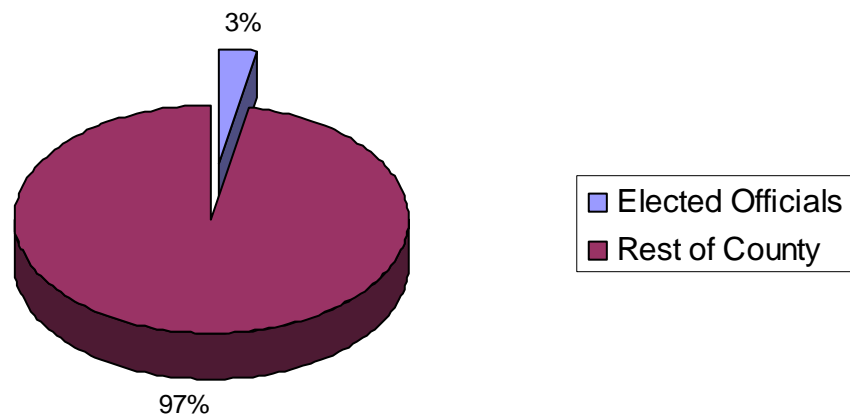




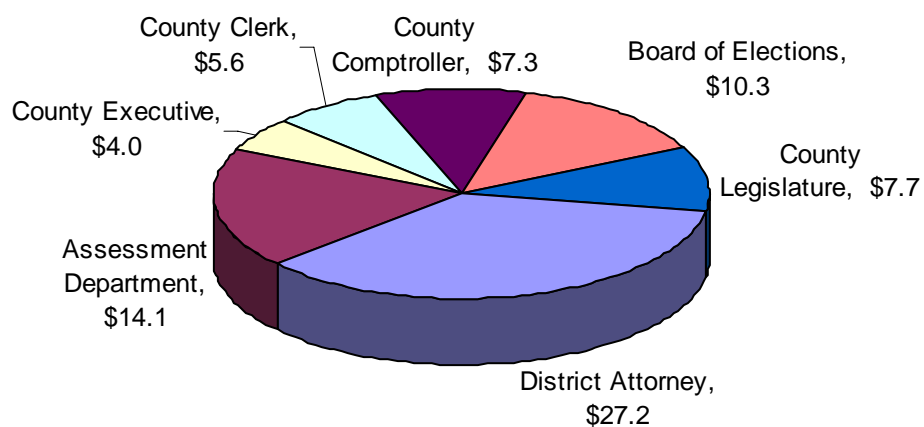
ELECTED OFFICIALS



Elected Officials Expenses as % of Total Expenses



Offices of the Elected Officials





ELECTED OFFICIALS

The Fiscal 2006 Adopted Budget contains funding for seven “departments” managed by independently elected officials. While in some cases these “departments” provide services that otherwise could be situated within the vertical management structure (i.e., District Attorney – Public Safety), because they are operated by independently elected officials who do not report to the County Executive, they are discussed in a distinct section in this document.

DEPARTMENT OF ASSESSMENT



AS - ASSESSMENT DEPARTMENT

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	7,015,631	9,803,733	4,324,405	11,375,158
	BB - EQUIPMENT	17,141	330,000	34,773	332,707
	CC - MATERIALS & SUPPLIES	72,667	83,000	78,239	-
	DD - GENERAL EXPENSES	522,668	770,000	373,149	859,998
	DE - CONTRACTUAL SERVICES	1,001,067	4,373,870	3,749,638	1,502,367
	HF - INTER-DEPARTMENTAL CHARGES	305,437	1,930,739	-	-
Expense Total		8,934,610	17,291,342	8,560,204	14,070,230
Revenue					
	BF - RENTS & RECOVERIES	2,571	-	1,152,931	-
	BH - DEPT REVENUES	193,850	245,000	103,697	245,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	870,370	664,000	500,000	800,000
Revenue Total		1,066,792	909,000	1,756,628	1,045,000

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	247	7	0
2005 Adopted Headcounts	228	4	0



DEPARTMENT OF ASSESSMENT

The Department of Assessment administers and is responsible for the preparation of the annual assessment roll.

Administration

The County Assessor, an elected position serves as Chairman of the Board, the Director of Real Property Services, and as the head of the Department of Assessment. The County Assessor, along with the Board of Assessors, administers the Department of Assessment and is responsible for the preparation of the annual assessment roll. The Nassau County Department of Assessment continues to meet every legally mandated filing date for the completion and publication of the roll.

Administration plans, directs and coordinates all activities of the Department and its divisions. Counsel to the Assessor and Public Relations are also part of this division.

MISSION

The mission of the Department of Assessment is to provide accurate and equitable assessments for properties within Nassau County, administer NYS Real Property Tax Exemptions and maintain Nassau County parcel maps.

Community Services

The Community Services Division is a new addition to the Department of Assessment and deals directly with the public addressing any and all assessment related issues and concerns. This division is actively involved in community outreach, providing speakers to various civic organizations throughout the County.

Accounting/Quality Control

The Accounting Division is responsible for maintaining the County Assessment Roll. It makes and tracks any authorized changes to the roll, such as name, address, section, block, lots, exemptions and assessed value. The Division is also responsible for the computation of base proportions, proving the assessment rolls, and calculating the extension of taxes for the Towns and School Districts based on their tax levies.

Mapping

Mapping is a vital tool of assessment administration because it serves as a graphic display of the land inventory and an accurate representation of all the land records of Nassau County. Maps identify each parcel of property in Nassau to help insure that all properties are properly identified. This Division maintains and revises more than 18,500 maps. Mapping is also responsible for the transmission of property transfer information to New York State.

Exemptions (Non-Profit/Business)

The Non-Profit/Business subdivision administers and implements New York State Real Property Law exemptions for business, solar and wind-energy, agricultural, ministers' and non-profit and religious organizations. It is also responsible for payments in lieu of taxes (PILOTS).



Veterans

The Veterans subdivision administers and implements New York State exemptions for Veterans.

Seniors

The Senior and Disabled subdivision administers and implements New York State exemptions for seniors and the disabled.

Public Utilities

The Public Utilities Division is responsible for Public Utility and Special Franchise assessments. Public utilities are assessed on real property and transmission and distribution equipment (which includes poles and wires).

Property Valuation (Field)

The Field Division is responsible for the valuation of all Assessment Class I (1-3 family homes, condominiums under three stories and homeowner associations) parcels. In addition, the Field Division inspects, measures and records all residential new construction, additions, demolitions and modifications to structures. The Field Division receives a copy of each building permit issued by every local jurisdiction within Nassau County to assist in identifying changes. The Field Division is also responsible for the inspection and validation of residential sales used to determine market value for Assessment Class I property.

Commercial/Industrial

The Commercial Industrial Division is responsible for the valuation of all Assessment Class II residential apartment buildings including cooperatives and condominiums over three stories and Assessment Class IV commercial and industrial parcels. The Commercial Division also reviews and inspects all new construction and modifications to existing Assessment Class II and IV structures in Nassau County. In addition, the Commercial Division is responsible for the collection and maintenance of income and expense data which is used in the development of income models used to value residential apartments, commercial and industrial properties.

Apportionment and Land

The Apportionment subdivision maintains all land valuation data, maps and zoning information for Nassau County. It is responsible for processing all land subdivisions, apportionments and lot groupings. In addition, the Apportionment Division prepares and issues certificates of apportionment.

Certiorari and Small Claims

The Certiorari and Small Claims Division represents the Assessment Department in negotiations with property owners or their authorized representative after the property owners have filed legal challenges (small claims, or writs of certiorari to the assessed value of the property). The Division is responsible for all records related to these challenges, including processing new challenges and maintaining and updating open ones.

NYS STAR

The STAR Division administers the NYS STAR program exemption and processes all applications for such, whether Basic (available to all owner-occupied residential properties) or Enhanced (for seniors with limited income). The STAR Division also administers the Volunteer Firefighters and Ambulance Workers Property Tax Exemption.



2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Department of Assessment totals approximately \$14.1 million, which includes \$2.7 million in other-than personal services expenditures. Included in the budget is \$11,400,000 in salary-related expenses for 247 full-time employees, which includes personnel for Small Claim Refund Payments (SCARPS) and personnel to complete the annual reassessment. The SCARPS function has traditionally been performed by outside appraisers. The department has employed staff and is continuing to hire qualified personnel to assume responsibility to defend residential protests in small claims court. The annual update was ordered by the Courts in 2000 and additional personnel are being hired to perform the annual reassessment in order to increase the accuracy of the assessment roll. Approximately \$800,000 in state aid reimbursement, which includes \$300,000 of assistance for STAR applications and \$245,000 for departmental fees are included in revenue.

Contractual service spending is budgeted at \$1.5 million, which includes \$800,000 for temporary personnel services. The cost of the Cole Layer and Trumble Company (CLT) contract to assist the department in performing the annual reassessment will be absorbed in 2005 and therefore is not reflected in the 2006 budget.

OFFICE OF THE COUNTY EXECUTIVE



CE - COUNTY EXECUTIVE

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	2,940,254	3,071,617	1,663,450	3,802,942
	BB -EQUIPMENT	7,738	30,000	2,865	30,246
	DD -GENERAL EXPENSES	61,636	54,000	33,361	54,443
	DE -CONTRACTUAL SERVICES	576,110	145,000	26,834	102,361
	HF -INTER-DEPARTMENTAL CHARGES	99,519	1,851,566	-	-
Expense Total		3,685,257	5,152,183	1,726,510	3,989,992
Revenue					
	BF -RENTS & RECOVERIES	61	-	585	-
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	188,103	-	-	-
Revenue Total		188,164	-	585	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	43	4	2
2005 Adopted Headcounts	34	3	2



OFFICE OF THE COUNTY EXECUTIVE

The County Executive's office is responsible for the supervision and management of the executive branch of county government. More specifically, these duties and responsibilities include supervision and management of all County administrative operations including, but not limited to:

- Determine staffing, expenditures, and procedures
- Provide strategic direction for the resolution of complex or sensitive county issues
- Execution, enforcement and support of County policy and state/federal statutes

MISSION

The Mission of the County Executive's Office is to provide the leadership and operational framework necessary to ensure that quality, cost efficient services are provided that meet the essential needs of the County's citizens.

GOALS

The County Executive's goals and objectives for 2006 are detailed in the Budget Transmittal Letter.

2006 BUDGET HIGHLIGHTS

The Adopted Fiscal 2006 Expense Budget for the County Executive's Office totals \$4 million. This includes \$3.8 million in salary-related expenses for 43 full-time employees and \$187,050 in other-than personal services expenditures. The County Executive's Office has been reorganized for 2006 to include: Deputy County Executives, Office of Compliance, Municipal Outreach Program, Environmental Coordination, Local Intergovernmental Relations, the Nassau Conservancy and respective staffs.

OFFICE OF THE COUNTY CLERK



CL - COUNTY CLERK

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	3,950,128	4,681,017	2,153,442	4,932,286
	BB -EQUIPMENT	84,385	100,000	77,438	143,770
	CC -MATERIALS & SUPPLIES	14,467	28,000	15,473	-
	DD -GENERAL EXPENSES	46,496	102,188	6,066	140,000
	DE -CONTRACTUAL SERVICES	248,449	350,000	30,000	354,375
	HF -INTER-DEPARTMENTAL CHARGES	664,103	1,595,120	-	-
Expense Total		5,008,029	6,856,325	2,282,419	5,570,431
Revenue					
	BD -FINES & FORFEITS	181,651	200,000	103,921	200,000
	BH -DEPT REVENUES	18,530,227	14,150,000	6,830,295	16,500,000
Revenue Total		18,711,878	14,350,000	6,934,216	16,700,000

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	102	50	20
2005 Adopted Headcounts	102	50	20



OFFICE OF THE COUNTY CLERK

The County Clerk serves the residents, professionals, and other municipalities in the following areas:

Real Estate

- Land Document Recording - The recording and Verification of deeds, mortgages and mortgage satisfactions, commercial chattel mortgages, building loans and their satisfaction; computing and collecting transfer and mortgage taxes and fees
- Section/Block/Lot - Provides necessary information as well as serves as a reference point for the public to access the information on properties in Nassau County
- Land Records - Access to copies of all land records (deeds, mortgages, etc) of the County from public access computers, Liber books, Micro film and Microfiche. Maintains County land and subdivision maps
- Imaging - State of the art scanning systems that scan documents for public access and places all verified documents on film for the preservation of vital records, ready access, and disaster recovery

MISSION

The mission of the Office of the County Clerk is to ensure that the public is served in a professional, effective, efficient and economical manner. To achieve this mission the Office of the County Clerk will:

- *Continue to exercise fiscal restraint and sustaining fiscal accountability;*
- *Continue to protect and preserve the public record;*
- *Further streamline operations to generate revenue;*
- *Utilize technology that will allow personnel to process more transactions without resorting to costly outsourcing and overtime.*

Legal

- Receives and processes all applications for Supreme Court Index Numbers, Notices of Appeal, Notices of Motion, Stipulations of settlement and discontinuance, Requests for Judicial Intervention and Notes of Issue;
- Indexes to Supreme and County Court cases; provides 'certified copies' of these files upon request; makes files available for public access;
- Processes all applications for 'a change of name' in conjunction with the court, maintaining and making available to the public the recorded change;
- Files Transcripts of Judgments from other courts, federal tax liens and state tax warrants; records all satisfactions and discharges of liens, provides Certificate of Disposition of indexes and file decisions;
- Receives and processes applications for Small Claims Assessment Review and indexes and files decisions;



Licensing

- Federal License - Records military discharge papers and provides certified copies upon request; processes U.S. Passport applications; maintains Naturalization records from 1899 to 1987
- State License - Responsible for the registering and filing all new Business Names, maintains records of Businesses incorporated in New York State and doing business in Nassau County; files and maintains signature cards and oath of office cards of Notary Publics qualified in Nassau County
- County License - Records Firefighter Exemption certificates; issues Veterans Peddlers' licenses; files and maintains signature cards and oath of office cards of Nassau County elected officials, employees and appointees

GOALS

- To incorporate long-term planning for storage of vital County records while providing the public access through the comprehensive use of cost-effective technology;
- To increase data output to the private, public and professional sectors of the County;
- To improve and utilize the best methodology in educating the public about the services available at the Office of the County Clerk;
- To maintain sufficient staff levels to handle the continued increase in volume associated with land recordings and the legal challenges in the Reassessment of Nassau County.

2006 BUDGET HIGHLIGHTS

The Adopted Fiscal 2006 Expense Budget for the County Clerk's Office totals \$5.6 million. This includes \$4.9 million in salary-related expenses for 102 full-time employees and an increased part time staff. The proposed other-than personal services expenditures total \$635,000 which reflect minimal growth over the 2005 Adopted Budget. In total the Adopted Fiscal 2006 Expense Budget, when adjusted for the elimination of interdepartmental charges, reflects a \$309,225 increase over the Fiscal 2005 Adopted Budget.

The Adopted Fiscal 2006 Revenue Budget totals \$16.7 million. This is an increase over the Fiscal 2005 Adopted Budget of \$14.4 million reflecting recent revenue trends and the progress being made in the reduction in the backlog of residential mortgage financing and refinancing filings.





CO - COUNTY COMPTROLLER

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	5,163,530	6,224,895	2,883,095	6,445,957
	BB -EQUIPMENT	47,296	146,481	7,565	133,500
	DD -GENERAL EXPENSES	50,973	65,253	63,850	78,234
	DE -CONTRACTUAL SERVICES	498,800	719,500	-	633,000
	HF -INTER-DEPARTMENTAL CHARGES	172,579	5,181,696	-	-
Expense Total		5,933,178	12,337,825	2,954,510	7,290,691
Revenue					
	BF -RENTS & RECOVERIES	2,972,469	275,000	-	400,000
	BH -DEPT REVENUES	16,792	18,850	7,437	14,850
Revenue Total		2,989,261	293,850	7,437	414,850

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	93	2	9
2005 Adopted Headcounts	90	1	10



OFFICE OF THE COMPTROLLER

The Comptroller monitors and issues reports on all matters that significantly affect the County's financial health and operations. It reports on actual financial results as seen through the preparation and issuance of the County's annual financial statements.

To achieve its vision, this Office will:

- Assist the County to achieve structural financial balance and restore fiscal health.
- Restore Fiscal Accountability and ensure that County agencies utilize proper fiscal operational practices.
- Record the County's financial condition in a manner that is accurate, timely and in accordance with generally accepted accounting principles.
- Maximize Comptroller's Office operational efficiencies through the review and improvement of current practices and use of technology.

VISION

The Nassau County Comptroller is committed to county fiscal responsibility and accountability by working closely with the county administration to overcome the county's financial challenges, achieve structural budgetary balance and prevent/end waste, fraud and abuse.

To accomplish its mission, the Comptroller will:

- Issue timely reports on matters that significantly affect the county's financial health and operations.
- Monitor, analyze and forecast the County's Revenues and Expenses.
- Establish and execute the 2006 audit and contract review program.
- Generate the County's Annual Financial Report.

MISSION

The mission of the Comptroller as an independently elected official is to serve in an oversight capacity that ensures fiscal integrity of the County's financial health and operations. The Comptroller monitors, reports and advises county agencies on discharging their responsibilities in a controlled, efficient and timely manner. This Office's mission is in support of the overall mission of Nassau County.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Office of the County Comptroller totals approximately \$7.3 million. This includes \$6.4 million in salary-related expense for 93 full time employees and \$844,734 in other-than personal services expenses. The Office has increased its salary-related expense in order to hire additional skilled audit and financial staff and in effect strengthen its oversight responsibilities.

OFFICE OF THE DISTRICT ATTORNEY



DA - DISTRICT ATTORNEY

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	22,264,147	24,426,462	11,685,432	25,619,606
	BB -EQUIPMENT	227,620	43,603	21,566	63,000
	CC -MATERIALS & SUPPLIES	76,072	83,258	17,478	-
	DD -GENERAL EXPENSES	561,248	496,000	279,486	692,720
	DE -CONTRACTUAL SERVICES	536,665	771,594	317,811	782,194
	HF -INTER-DEPARTMENTAL CHARGES	691,074	2,338,802	24,146	-
Expense Total		24,356,825	28,159,719	12,345,918	27,157,520
Revenue					
	BD -FINES & FORFEITS	-	-	75,750	-
	BE -INVEST INCOME	377	400	-	400
	BF -RENTS & RECOVERIES	191,958	-	11,297	-
	BH -DEPT REVENUES	1,569	1,031,119	248	-
	BJ -INTERDEPT REVENUES	119,689	-	-	110,000
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	1,182,145	-	196,861	1,374,089
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	74,982	201,147	5,971	28,232
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	58,077	55,577	2,500	52,004
Revenue Total		1,628,797	1,288,243	292,627	1,564,725

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	351	0	6
2005 Adopted Headcounts	352	0	18



OFFICE OF THE DISTRICT ATTORNEY

The Nassau County District Attorney's Office (DA) continues to be one of the nations most efficient and successful prosecutor's offices. In 2005, the felony conviction rate continues to be 98 percent of the total cases brought to court. The number of felony indictments awaiting trial has been reduced from approximately 2,860 in 1974 to an average of 250 today. The average time to disposition for felony cases in the County Court has been reduced from 18 months in 1974 to 102

days to-date. Due to the efforts of this department these statistics are among the lowest in New York State. Every felony case is screened and many are disposed of before indictment. By effective case management, thorough investigation and professional prosecution of felony offenses, the Nassau County District Attorney's Office continues to achieve swift and certain punishment of felony offenders. This efficiency translates into actual dollar savings for the County.

MISSION

Investigate and prosecute all crimes and offenses cognizable by the courts of Nassau County.

Administration

The District Attorney's Office is administrated by the District Attorney along with his executive staff, which is comprised of the Chief Assistant District Attorney, The Executive Assistant District Attorney for the Administration and the Executive Assistant District Attorney for Investigations.

2006 BUDGET HIGHLIGHTS

Total operating expense for the Office of the District Attorney in the Fiscal 2006 Adopted Budget is \$27.2 million. Salary and wage related expense in the budget is \$25.6 million which represents 94 percent of the department's total operating expenses. The Fiscal 2006 Adopted Budget funds 351 full-time employees and six seasonal positions. Other-than personal service (OTPS) expenses in the proposed budget are \$1.5 million

Total revenue for the Office of the District Attorney in the Fiscal 2006 Adopted Budget is \$1.6 million which is approximately \$276,500, 17.7 percent, higher than the budgeted revenue in the Fiscal 2005 Adopted Budget.

BOARD OF ELECTIONS



EL - BOARD OF ELECTIONS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	8,538,007	8,542,385	3,374,654	8,776,506
	BB -EQUIPMENT	76,652	82,500	7,439	112,500
	DD -GENERAL EXPENSES	724,053	717,300	65,651	898,138
	DE -CONTRACTUAL SERVICES	457,658	549,000	828	549,000
	HF -INTER-DEPARTMENTAL CHARGES	105,947	1,131,828	-	-
Expense Total		9,902,317	11,023,013	3,448,572	10,336,144
Revenue					
	BF -RENTS & RECOVERIES	121,460	120,000	74,663	120,000
	BH -DEPT REVENUES	31,209	35,000	18,012	35,000
Revenue Total		152,668	155,000	92,675	155,000

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	106	30	20
2005 Adopted Headcounts	106	34	20



BOARD OF ELECTIONS

The Board of Elections handles the day to day operations by overseeing that all functions necessary for compliance with the Election Law are completed in the most cost effective and accurate manner.

All services provided for by this Board are New York State Election Law mandated. Curtailment or elimination is not possible unless the law is amended. Due to the size of Nassau County, all employees are necessary to provide the office procedures and services as outlined by law.

MISSION

Under the Elections Law, the three basic functions of the Board of Elections are:

- *To register voters and maintain their records.*
- *To conduct primaries, special elections called by the Governor and the General Elections.*
- *To canvass elections' results and certify results.*

GOALS

- To comply with the NYS Election Law and the mandates required by the National Voter Registration Act (NVRA), which took effect January 1995, and the Help America Vote Act (HAVA), that was passed in 2002. These mandates will affect many aspects of voter registration as well as voting machine requirements. The requirements of HAVA will be monumental since it requires replacement of all voting machines. Special ballots and special paper will have to be used and a vendor may have to be chosen to print all ballots. The Board's goal is to prepare for these changes and educate the employees and the electorate as to these changes.
- To prepare to enforce the required changes mandated by the Federal Government.
- To educate the electorate about the changes in the voting process.
- To instruct the 4,200 Election Inspectors so they may best assist the voters and comply with the legal requirements.
- To educate and train the Board of Election staff, so we may comply with these new federal mandates.
- To introduce and conduct an aggressive public education program on the use of the new voting system utilizing media advertisements, pamphlets, and public forums conducted throughout the county.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget Expense for the Board of Elections totals \$10.3 million which is an increase of \$444,959 from the 2005 Adopted Budget (excluding interdepartmental charges) and attributable to Help American Vote Act (HAVA) requirements. The Adopted budget includes \$8.8 million in salary-related expenses for 106 full-time employees and \$1.6 million in other-than personal services expenditures.



The Adopted Fiscal 2006 Revenue Budget, which not been changed from the 2005 Adopted Budget, totals \$155,000, which reflects anticipated revenues for voting machine rentals and other miscellaneous receipts.





LE - COUNTY LEGISLATURE

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	4,233,919	5,297,436	2,229,463	5,589,610
	BB -EQUIPMENT	7,315	33,200	3,952	62,500
	CC -MATERIALS & SUPPLIES	-	1,000	-	-
	DD -GENERAL EXPENSES	582,177	872,283	685,513	1,013,000
	DE -CONTRACTUAL SERVICES	539,963	1,147,600	597,900	1,003,600
	HF -INTER-DEPARTMENTAL CHARGES	768,546	1,407,795	-	-
Expense Total		6,131,920	8,759,314	3,516,827	7,668,710
Revenue					
	BF -RENTS & RECOVERIES	40,040	-	1,512	-
Revenue Total		40,040	-	1,512	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	93	1	42
2005 Adopted Headcounts	97	1	4



OFFICE OF THE COUNTY LEGISLATURE

The Legislature consists of 19 elected members representing the County's Legislative Districts as established by the County's Charter. Additionally, the Legislature includes the independent Office of Legislative Budget Review and the central staff needed to provide support services.

GOALS

Continue to provide valuable constituent and legislative services to the residents of Nassau County.

MISSION

The County Legislature provides equal representation for every resident of Nassau County and is responsible for introducing and enacting local laws, ordinances, resolutions, codes and proclamations effecting the health, safety, welfare and quality of life of all Nassau County residents.

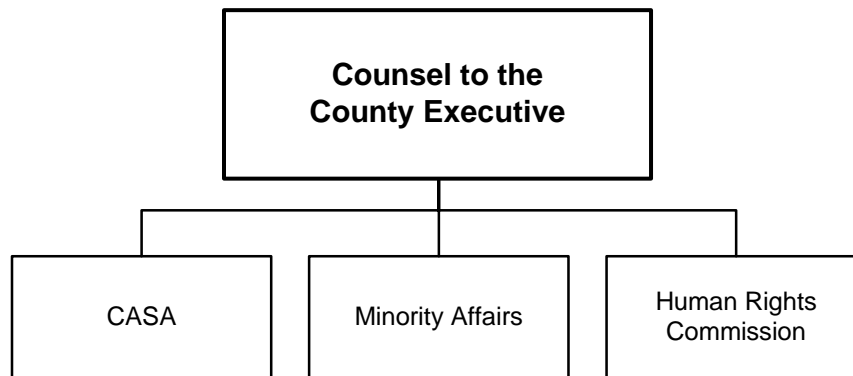
2006 BUDGET HIGHLIGHTS

The Adopted Fiscal 2006 Expense Budget for the County Legislature totals \$7.7 million. This includes \$5.6 million in salary-related expenses for 93 full-time employees and \$2.1 million in other-than personal services expenditures.



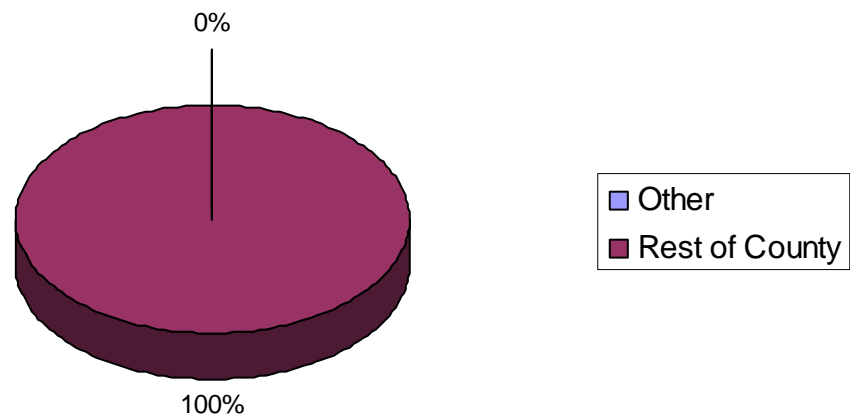


OTHER DEPARTMENTS AND BUDGET ALLOCATIONS

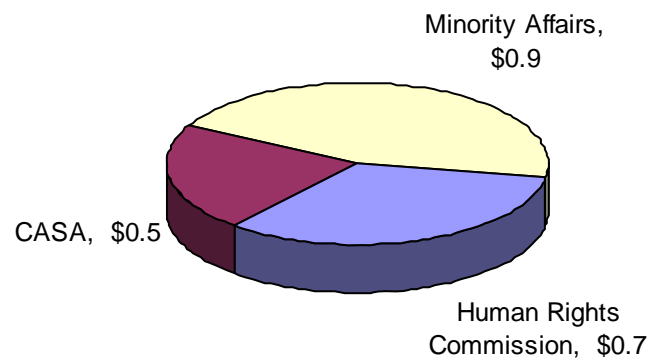




Other Departments Expenses as % of Total Expenses



Other Departments



OTHER DEPARTMENTS AND BUDGET ALLOCATIONS



COMMISSION ON HUMAN RIGHTS



HR - COMMISSION ON HUMAN RIGHTS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	523,520	622,598	296,189	647,471
	BB -EQUIPMENT	-	6,650	-	6,704
	CC -MATERIALS & SUPPLIES	-	2,850	-	-
	DD -GENERAL EXPENSES	2,480	22,277	1,500	25,333
	DE -CONTRACTUAL SERVICES	-	25,000	-	25,206
	HF -INTER-DEPARTMENTAL CHARGES	33,301	218,654	-	-
Expense Total		559,301	898,029	297,689	704,714
Revenue					
	BF -RENTS & RECOVERIES	-	-	726	-
Revenue Total		-	-	726	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	10	0	0
2005 Adopted Headcounts	10	1	0

PERFORMANCE INDICATORS: COMMISSION OF HUMAN RIGHTS

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Total Complaints			
# Of Referrals	700	921	N/A
# Of Inquiries	179	1,008	N/A
# Of New Formal Complaints	58	171	N/A
Total # Of Complaints	937	2,100	N/A
Job Development			
# of Summer Youths Assisted with Employment	28	30	70
# Of Requested Appearances	56	73	80
# Of Individuals Assisted	17	20	20



COMMISSION ON HUMAN RIGHTS

The Commission has three components: Compliance and Investigations, Job Development Center and Pre-trial Services.

To achieve its vision, the Commission on Human rights will:

- Efficiently investigate complaints of discrimination;
- Enforce the New York State and Nassau County Human Rights Law;
- Achieve compliance through investigations and hearings;
- Address community issues through proactive educational initiatives and outreach; and,
- Implement and utilize technology for data-driven staff deployment, community education and outreach.

VISION

The Commission on Human Rights' vision is to eliminate acts of bigotry, intolerance and discrimination. To achieve through education, harmonious inter-group relations and thereby improve the quality of life for all Nassau County residents.

In order to achieve its vision and mission the Commission on Human Rights is comprised of the following units:

Compliance and Investigations

This unit of the Commission responds to all claims of discrimination under the jurisdiction of the Commission. The Commission investigates and may conciliate claims of discrimination in Housing, Employment and Public Accommodation pursuant to New York State and Nassau County Human Rights laws.

MISSION

The staff of the Nassau County Commission on Human Rights works in conjunction with other agencies to fulfill its legislative mandate; to ensure equal treatment for all residents of Nassau County; to eradicate discrimination and discriminatory practices in Nassau County; and to educate and protect the public.

Job Development Center

The Job Development Center provides job and training referrals, guidance and testing services to those seeking to diversify their employee pool and those seeking employment. The job development center administers a summer youth employment program. Economically eligible high school and college students have the opportunity to gain work experience, work in government and earn money to help defray the expenses of a higher education.

Pre-trial Services

The Commission provides assistance to those individuals involved with the criminal justice system who have filed a complaint alleging discriminatory or prejudicial treatment based on membership in the protected classes as defined by New York State and Nassau County Human Rights law.



GOALS

- The primary goal of the Commission is to efficiently and effectively process and investigate complaints in a timely fashion.
- The Commission is the lead agency for the annual Nassau County Martin Luther King, Jr. birthday celebration.

The Commission, in conjunction with the Nassau County Youth Task Force and Hofstra University, presents an annual student human rights awareness day at Hofstra University for high school juniors and seniors from all Nassau County public, private and parochial schools.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Human Rights Commission totals \$704,714. Included in this amount are salary-related expenses of \$647,471 for 10 full time employees. The department has allocated its budget to various programs, namely compliance and investigations pre-trial services, the Job Development Center, the Summer Youth Employment Program and human rights awareness.



OFFICE OF MINORITY AFFAIRS



MA - OFFICE OF MINORITY AFFAIRS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	458,817	746,297	378,588	687,676
	CC -MATERIALS & SUPPLIES	-	6,000	-	-
	DD -GENERAL EXPENSES	5,102	48,000	8,395	54,443
	DE -CONTRACTUAL SERVICES	-	205,000	-	206,682
	HF -INTER-DEPARTMENTAL CHARGES	40,519	182,331	-	-
Expense Total		504,437	1,187,628	386,983	948,801
Revenue					
	BF -RENTS & RECOVERIES	571	-	-	-
Revenue Total		571	-	-	-

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	11	0	0
2005 Adopted Headcounts	11	0	0

PERFORMANCE INDICATORS: MINORITY AFFAIRS

Indicator	2004 Measure	Projected 2005 Measure	Target 2006 Measure
Minority Women Business Enterprise Program			
# Of Vendors Listed in M/WBE database	515	650	780
# Of Educational M/WBE Seminars	6	6	8
# Of Educational M/WBE Seminars Attendees	250	275	300



OFFICE OF MINORITY AFFAIRS

The Office of Minority Affairs serves as a resource and outreach center for minority constituent concerns and issues. The Office of Minority Affairs has been charged with assisting Nassau County government in improving the delivery of quality of life services, assessing the impact of budgets of Nassau County government agencies, administering Nassau County's Affirmative Action Plan, issuing research or studies on issues that affect minorities and developing and improving Nassau County's Women and Minority Business Enterprise program.

The Office of Minority Affairs takes a leadership role in developing the network of supports and resources that will make community presence and participation a reality, affirming the vision that all citizens participate in the life of their community while receiving the support needed to be productive and valued community members. In like manner, the Office of Minority Affairs through its Affirmative Action Officer envisions a workforce that is reflective of the County and one which mirrors its population at all levels in all occupations. Nassau County is committed to a program of Affirmative Action that is conducted in accordance with federal, state and local acts and regulations. Every good faith effort will be made to employ and advance individuals according to merit and to avoid any underutilization of minorities and women. The Office of Minority Affairs foresees a workplace where the quality of work life is valued and there is an environment open and accepting of individual differences.

The Office of Minority Affairs is committed to the use of all available County resources to provide for the development, advancement and betterment of economic, employment, business and cultural opportunities for the minority residents of the County; the improvement and stabilization of economically deprived areas in the County.

VISION

We envision a County which embraces all people, respects their unique contributions and provides them with opportunities to live, learn and grow together.

MISSION

The mission of the Office of Minority Affairs (OMA) is to strengthen existing minority communities through shared County Services by integrating informational services that support ongoing development of these communities. OMA builds awareness of available resources through promotion, outreach and publicity. OMA also seeks to enhance the delivery of County Services to those ethnic minority communities most in need.

GOALS

- To develop a framework for departmental program/service evaluation;
- To engage the Stakeholders;
- To collect data/feedback;
- To increase the number of qualified Minority and Women business owners;



- To foster an inclusive environment within the County in which the unique talents and perspectives of each employee are understood, valued, respected and leveraged;
- To offer community support services including hosting cultural events, professional and civic events; and,
- The formulation of strategies for economic development in neglected communities

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Department of Minority Affairs is \$948,801. Salary related expenses amount to \$687,676 for 11 full time positions. As required by the Nassau County Charter, the Office of Minority Affairs has embarked upon the development of a Minority Community Impact Assessment whereby all agencies in the County will report budgetary measures affecting policy and its impact on the minority community.



COORDINATING AGENCY FOR SPANISH AMERICANS



SA - COORD AGENCY FOR SPANISH AMERICANS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA -SALARIES, WAGES & FEES	335,819	355,499	134,147	425,104
	BB -EQUIPMENT	8,684	5,000	(0)	5,000
	CC -MATERIALS & SUPPLIES	484	1,000	-	-
	DD -GENERAL EXPENSES	146	11,500	3,000	11,500
	DE -CONTRACTUAL SERVICES	-	15,000	-	15,000
	HF -INTER-DEPARTMENTAL CHARGES	40,224	319,004	-	-
Expense Total		385,357	707,003	137,147	456,604
Revenue					
	BF -RENTS & RECOVERIES	0	-	169	-
	BH -DEPT REVENUES	24,935	30,000	12,665	25,000
Revenue Total		24,935	30,000	12,834	25,000

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	8	1	0
2005 Adopted Headcounts	2	1	0



COORDINATING AGENCY FOR SPANISH AMERICANS (CASA)

CASA serves the Latino community and connects residents with appropriate programs within Nassau County government. It fosters participation in local government and facilitates access to its services. It serves as a resource, referral and advocacy.

To meet its vision, CASA will:

Serve as a conduit to entities such as chambers of commerce, Community Based Organizations and Faith Based organizations to work on initiatives with the County Executive and other County Departments.

Vision

The vision of CASA is to ensure the proper assimilation of the Latino community as productive contributors to the community of Nassau County.

The Mission will be achieved by:

- Assisting in the processing of immigration documents and other citizenship applications.
- By offering English and as Second Language (ESL), General Equivalency Diploma (GED) and basic computer training; and,
- Facilitating education in language and job building skills.

Our services include: Strategic Planning, Cultural Competence and Translation Services. CASA functions as a communication liaison between the Latino/Spanish speaking and immigrant community and Nassau County agencies that provide services and essential support, critical for social existence. These agencies include, but are not limited to: Social Services, Police and Senior Citizens, Housing and Intergovernmental Affairs, Consumer Affairs and Assessment Review. Identify resources within the Hispanic community to support Nassau's workforce by serving as a conduit for job applicants within the Spanish speaking community. It gives support to Nassau County Agencies and other organizations in bi-lingual staffing needs. It assists Agencies in the Health and Human Services Vertical, which is already overburdened and backlogged in human service requests without adequate bi-lingual staffing.

Mission Statement

To serve as a resource and referral agency for national, state and county resources, which contribute to the education and welfare of Latino Americans. The agency addresses the following issues of concern for the clients that it serves: Health, Education, Housing, Immigration, Advocacy and Economic Empowerment. The agency also serves as a liaison between Nassau County governmental departments and the Latino community, its businesses and civic organizations.



As the County develops policies and procedures, CASA works on strategic planning issues with regard to cultural competence to include this constituency. It aids county government and commissioners in making more appropriate and informed decisions that consider the impact on this growing constituency.

To facilitate partnership training and support services to county departments that will properly address the needs of the Latino community, we assist in locating the resources to support these efforts via bi-lingual professional staffing expertise within the Latino Community Based Organization network and, support the Community Based organizations that are providing direct service to this population via access to grants, training etc. This will in turn serve as a safety net to the county's HHS vertical that is already overburdened and backlogged in human service requests without adequate bi-lingual staffing.

GOALS

To make recommendations and advise the County Executive in the following:

- To improve the quality of life, education and environment of the Hispanic community and integrate this population effectively.
- To provide a means of communication and dissemination of vital information to the Hispanics of Nassau County on County Initiatives and connect government with supportive links in the Community.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Coordinating Agency for Spanish Americans totals \$456,604. This includes \$425,104 in salaries for eight full time employees and \$31,500 in other than personal services expenditures. The agency has expanded its outreach programs to the County, particularly in the areas of translation services and immigration assistance. The agency's revenue in the amount of \$25,000 corresponds to a fee charged for assisting the community in completing immigration forms.



FRINGE BENEFITS



FB - FRINGE BENEFIT

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AB -FRINGE BENEFITS	105,194,719	144,321,980	97,966,077	149,605,973
	JC -FEDERAL DISALLOWANCES RESERVE	45,209	-	16,953	-
Expense Total		105,239,929	144,321,980	97,983,030	149,605,973
Revenue					
	BF -RENTS & RECOVERIES	5,244	-	-	-
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	4,054,400
	BH -DEPT REVENUES	11,342	-	0	-
Revenue Total		16,587	-	0	4,054,400



GENERAL FUND FRINGE BENEFITS

Fringe benefits expenditures for the County workforce are allocated in one cost center for each fund. By centrally calculating fringe costs in Office of Management and Budget (OMB) and allocating resources in a place outside of departmental budgets, the County minimizes the likelihood of incorrect allocations and gains a greater control of the expenditure of these funds.

Fringe benefits expenditures include health insurance contributions for active employees and retirees, pension contributions for active employees and social security contributions. Mandated growth in these categories continues to place a heavy burden on the County's operating budget. It also includes appropriations for workers compensation costs and the Flex Benefits Plan.

COURTS



CT - COURTS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AB -FRINGE BENEFITS	2,410,800	2,608,649	1,189,976	2,436,342
Expense Total		2,410,800	2,608,649	1,189,976	2,436,342
Revenue					
	BG -REVENUE OFFSET TO EXPENSE	-	-	-	305,920
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	2,155,555	2,476,483	642,295	2,017,510
Revenue Total		2,155,555	2,476,483	642,295	2,323,430

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	0	0	0
2005 Adopted Headcounts	0	0	0



COURTS

When the State assumed control of the Courts system, employees who worked in the system were granted the right to remain in the County's health insurance plan. Consequently, these expenditures are charged to the County budget, and the State reimburses the County. The difference between the amount of expenses and State reimbursement is the non-reimbursable cost of health insurance for employees who retired prior to the State take-over.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for the Courts is approximately \$2.4 million for medical insurance offset by State reimbursement of \$2 million and \$305,920 for Medicare Part D reimbursement.

MISCELLANEOUS



MI - MISCELLANEOUS

E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	2,214,083	6,727,369	(1,554,556)	4,351,653
	AB -FRINGE BENEFITS	950,000	21,672,854	8,970,193	22,679,424
	GA -LOCAL GOVT ASST PROGRAM	55,516,592	57,631,662	13,253,662	59,736,041
	HC -NHC ASSN EXP - NASSAU HEALTH CARE ASSN	39,940,237	13,000,000	12,999,940	13,000,000
	HF -INTER-DEPARTMENTAL CHARGES	-	-	-	4,206,401
	JM -CONTINGENCY FOR FUTURE EXPENSES	23,600,000	-	-	-
	LO -TRANS TO CPF FUND	7,623,296	-	-	5,000,000
	LU -TRANS TO DEBT SERVICE FUND	10,000,000	-	-	-
	NA -NCIFA EXPENDITURES	-	2,000,000	-	1,450,000
	OO-OTHER	17,932,718	15,994,424	9,683,499	23,914,666
Expense Total		157,776,925	117,026,309	43,352,738	134,338,185
Revenue					
	AA -FUND BALANCE	-	-	-	5,000,000
	BF -RENTS & RECOVERIES	34,037,400	23,000,000	417,590	23,200,000
	BG -REVENUE OFFSET TO EXPENSE	2,505,555	3,707,933	655,788	5,597,823
	FA -FEDERAL AID - REIMBURSEMENT OF EXPENSES	337,118	210,000	-	320,265
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	103,177	583,000	1,445,799	1,646,011
Revenue Total		36,983,250	27,500,933	2,519,178	35,764,099

	Full Time	Part Time	Seasonal
2006 Adopted Headcounts	0	0	0
2005 Adopted Headcounts	0	0	0



MISCELLANEOUS BUDGET

DESCRIPTION

The Miscellaneous Budget contains the following control centers:

- Contractual Agencies: Funds various agencies that have contracts with the County including the Legal Aid Society and the Assigned Counsel Defender Plan;
- Resident Tuition: Payment made by the County on behalf of Nassau residents attending the Fashion Institute of Technology and non-Nassau County community colleges;
- Other: Funding for several Payment In Lieu Of Taxes (PILOT) projects and the NYS Association of Counties;
- Fringe Benefits: Payments for the Flex Benefits Plan and TransitChek Program;
- Local Government Assistance Program: These payments represent the towns', cities' and villages' local share of sales tax revenue. The law sets the contribution levels;
- Nassau Health Care Corporation: Mandated payments made by the County to the Health Care Corporation, pursuant to the sale agreement;
- NIFA Expenditures: Funds the operational expenses of the Nassau Interim Finance Authority; and,
- Interfund Transfers: Transfers to the County Parks Fund.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget for Miscellaneous is approximately \$134.3 million. Included is \$59.7 million in local government assistance, an increase of \$2 million from the 2005 Adopted Budget due to rising sales tax collections; \$36.1 million for mandated payments to the Nassau County Health Care Corporation, a decrease of \$1.9 million from the 2005 Adopted Budget; \$3.9 million (net of reimbursement) for resident tuition payments and \$9.5 million for indigent criminal defense, an increase of \$759,002 from the 2005 Adopted Budget due to an initiative to increase funding to increase the number of Legal Aid attorneys in the Family Court. This increase is offset by including, for the first time, \$1.4 million of revenue for the Indigent Legal Services Fund (ILSF). Legislation enacted in 2003 required increased rates to be paid to assigned counsel providing indigent legal defense services. That legislation also provided that revenues from various sources, including new and increased court and DMV-related fees, be deposited in an ILSF, which would be used to offset the increased costs of the higher rates for assigned counsel. Additionally, this year's budget includes a \$5 million contingency appropriation of fund balance to address fiscal risks that might develop due to unforeseen events such as Hurricane Katrina. A \$2.5 million contingency appropriation also is available to address a potential risk in Medicaid costs.

RESERVES



RS - RESERVES					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	JA -CONTINGENCIES RESERVE	319,687	-	-	-
Expense Total		319,687	-	-	-
Revenue					
	BD -FINES & FORFEITS	3,250	-	2,200	-
	BF -RENTS & RECOVERIES	2,315,912	12,500,000	436,500	12,500,000
Revenue Total		2,319,162	12,500,000	438,700	12,500,000



RESERVES

The Fiscal 2006 Adopted Budget contains \$12.5 million in revenue due to prior-year recoveries; the same as the previous adopted budget. There are no budget expenditures in the Reserves account.

GENERAL FUND REVENUE



RV -GENERAL FUND UNALLOCATED REVENUE

E/R Revenue	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
	AA -FUND BALANCE	76,107,059	-	-	5,000,000
	BA -INT PENALTY ON TAX	(1,423)	-	15,875	-
	BD -FINES & FORFEITS	2,113,232	2,145,552	1,122,168	2,195,552
	BE -INVEST INCOME	158,605	-	-	-
	BJ -INTERDEPT REVENUES	30,987,978	30,985,004	-	46,447,223
	BO -PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	3,631,668	-	-	4,500,000
	BS -OTB PROFITS	7,001,492	7,600,000	1,505,204	5,655,000
	BW -INTERFD CHGS - INTERFUND CHARGES REVE	20,242,431	21,390,194	-	22,225,667
	IF -INTERFD TSFS - INTERFUND TRANSFERS	1,785,299	-	-	-
	NA -NIFA AID	-	7,500,000	-	-
	TA -SALES TAX CO - SALES TAX COUNTYWIDE	882,923,348	907,089,227	297,068,858	936,369,365
	TB -PART COUNTY - SALES TAX PART COUNTY	49,971,201	57,567,863	16,692,889	65,421,278
	TL -PROPERTY TAX	141,274,679	112,769,518	119,985,162	80,016,368
	TO -OTB 5% TAX	7,042,751	6,900,000	1,373,344	6,500,000
Revenue Total		1,223,238,320	1,153,947,358	437,763,500	1,174,330,453



GENERAL FUND REVENUE

This account contains most of the non-departmental revenue collected by the County. This includes revenue from the sales tax, General Fund property tax, Off-Track Betting profits, NIFA Aid and Interfund Revenues. There are no budgeted expenditures in this account.

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget consists primarily of the revenue appropriations for sales taxes totaling approximately \$1 billion, of which \$59.7 million is distributed to the five towns and cities. Property taxes allocable to the General Fund total \$80 million. Although the property taxes in Nassau County remain unchanged since 2003, the general fund allocation has decreased by \$39.7 million while the Police District and Headquarter Funds have increased due to the high cost of services provided by police. Also included in this revenue allocation are revenues from PILOTS budgeted at \$4.5 million. Profits from the Off Track Betting Corp (OTB) are \$5.7 million and the 5% surcharge remains at the same levels as previous years.

GENERAL FUND REVENUE



NON-MAJOR OPERATING FUNDS



SEWER AND STORM WATER DISTRICT FUND

In September 2003, the County, with NIFA support, reached a bipartisan agreement with officials in Albany. The resulting legislation was unanimously endorsed in a home rule message by the County Legislature and signed by the Governor. The legislation created the Nassau County Sewer and Storm Water Finance Authority and a consolidated County-wide Sewer and Storm Water Resource District.

Sewer and Storm Water Finance Authority

The Authority will be solely a finance authority. It is empowered to finance or refinance sewer and storm water projects within a \$350 million cap, and to take title to sewer or storm water properties as part of its financing mission. The Authority may not take title to the land devoted to sewer or storm water purposes; this restriction is designed to ensure that the Authority will not be used to sell land that is environmentally desirable, such as sumps.

The Authority will restructure sewer debt issued through the Environmental Facilities Corporation, matching the debt to the sewer assets' useful lives. The Authority will also take over the responsibility for paying debt related to storm water projects which were previously carried in the general fund. In the future, as the County takes on new sewer or storm water capital projects, the debt will be issued through the Authority to the extent permitted under the cap.

Sewer and Storm Water Resource District

The County-wide Sewer and Storm Water Resource District created by the legislation abolishes the existing patchwork of 27 collection and three disposal districts. In their place, the legislation creates a single County-wide District with responsibility for sewer and storm water services.

Rate Payer Stabilization Program

Although the single District comes into being immediately, the bill smoothes out the transition to a uniform tax rate for services. Through 2007, taxpayers will be assessed sewer taxes at the 2003 level and, since no storm water tax existed in 2003, none will be assessed until after 2007. Between 2007 and 2014, the bill requires that the County transition to a system of three taxes: one zone of assessment that is County-wide for storm water services, one zone of assessment for sewage collection and sewage disposal, and one zone of assessment for sewage disposal only. The boundaries of the zones, and any intermediate zones, have been set by the County Legislature.

The legislation also provides that the prior districts' fund balance will move to the Authority, as required to pay for capital needs, debt service, and reserves. The fund balance remaining is required to be devoted to the ratepayer stabilization program and therefore is budgeted within the District.

Treatment of District Tax Revenue

The County will continue to impose District taxes and they will continue to be collected by the Town Receivers of Taxes. The bill authorizes the County and Authority to agree that taxes will be sent from the Receivers to a lockbox, to ensure payment of Authority bonds. The County and Authority will enter into a Financing Agreement covering this and all other financial relationships between the entities.

Table 5.1 summarizes the Proposed Fiscal 2006 Sewer and Storm Water Finance Authority Budget and Table 5.2 summarizes the Proposed Fiscal 2006 Sewer and Storm Water Resource District Budget.

NON-MAJOR OPERATING FUNDS



Table 5.1: Adopted Fiscal 2006 Sewer and Storm Water Finance Authority Fund

SEWER AND STORM WATER FINANCE AUTHORITY BUDGET					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	DE -CONTRACTUAL SERVICES	-	500,000	-	500,000
	FF -INTEREST	-	3,159,945	-	5,420,413
	GG -PRINCIPAL	-	3,075,000	-	3,125,000
	LZ -TRANS OUT TO SSW FOR DEBT SERVICE	-	184,170,788	-	162,209,512
	OO-OTHER	-	7,000,000	-	7,000,000
Expense Total		-	197,905,733	-	178,254,925
	Interdepartmental Transfers	-	-	-	-
Expense Including Interdepartmental Transfers		-	197,905,733	-	178,254,925
Revenue					
	AA -FUND BALANCE	-	58,973,424	-	39,322,616
	TL -PROPERTY TAX	-	138,932,309	-	138,932,309
Revenue Total		-	197,905,733	-	178,254,925
	Interdepartmental Transfers	-	-	-	-
Revenue Including Interdepartmental Transfers		-	197,905,733	-	178,254,925

Table 5.2: Adopted Fiscal 2006 Sewer and Storm Water Resource District Fund

SEWER AND STORM WATER RESOURCE DISTRICT BUDGET					
E/R Expense	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
	AA -SALARIES, WAGES & FEES	18,542,855	24,360,669	9,472,198	29,243,732
	AB -FRINGE BENEFITS	6,693,348	11,240,097	5,735,898	11,481,603
	BB -EQUIPMENT	85,404	151,118	58,232	226,981
	CC -MATERIALS & SUPPLIES	4,383,779	4,754,275	2,292,423	-
	DD -GENERAL EXPENSES	3,279,786	4,246,380	2,898,787	9,046,903
	DE -CONTRACTUAL SERVICES	20,340,797	20,749,625	10,724,234	21,441,500
	DF -UTILITY COSTS	9,687,436	10,553,201	6,022,096	10,774,339
	FF -INTEREST	14,725,507	17,117,106	3,554,656	16,265,147
	GG -PRINCIPAL	26,057,584	16,154,411	3,433,472	30,411,599
	HH -INTERFD CHGS - INTERFUND CHARGES	28,827,153	27,757,849	-	27,812,858
	OO-OTHER	73,969,764	59,126,030	-	79,289,191
Expense Total		206,593,413	196,210,761	44,191,994	235,993,853
Interdepartmental Transfers		-	-	-	-
Expense Including Interdepartmental Transfers		-	-	-	-
Revenue					
	AA -FUND BALANCE	73,969,764	9,053,700	-	68,433,159
	BC -PERMITS & LICENSES	227,095	-	-	-
	BE -INVEST INCOME	1,499,412	750,000	1,040,739	1,250,000
	BF -RENTS & RECOVERIES	176,590	632,178	129,767	325,000
	BH -DEPT REVENUES	1,397,638	1,255,224	767,585	1,788,302
	BI -CAP BACKCHARGES	928,808	348,871	(113,682)	451,780
	BW -INTERFD CHGS - INTERFUND CHARGES REVENUE	428,645	111,651,136	-	163,745,612
	IF -INTERFD TSFS - INTERFUND TRANSFERS	10,950,780	72,519,652	76,400,066	-
	SA -STATE AID - REIMBURSEMENT OF EXPENSES	224,072	-	-	-
	TL -PROPERTY TAX	138,932,309	-	-	-
Revenue Total		228,735,113	196,210,761	78,224,474	235,993,853
Interdepartmental Transfers		-	-	-	-
Revenue Including Interdepartmental Transfers		228,735,113	196,210,761	78,224,474	235,993,853



NASSAU COUNTY PUBLIC UTILITY AGENCY FUND

The Nassau County Public Utility Agency (NCPUA) was established in 1984 as an economic development tool under New York State's "Economic Development Power" (EDP) program. This program is designed to provide discounted power to businesses that commit to create or retain jobs in New York State. Under this program, NCPUA is currently under contract with the New York Power Authority (NYPA) to receive five megawatts of power, which it in turn distributes, under contract, to businesses located in Nassau County in order to facilitate the EDP program's objectives in the County.

Currently seven businesses (Administrators for the Professions; Citibank; Cold Spring Harbor Laboratories; Fortunoff; Hughes-Treitler Manufacturing; Oceanside Institutional Industries and Uniflex, Inc.) are under contract with NCPUA for power under this program.

NCPUA is invoiced for the electrical usage of its seven customers by NYPA on a monthly basis. NCPUA in turn invoices each of its seven customers for the NYPA energy charges plus an additional four percent administrative fee. This administrative fee charged by NCPUA is used to reimburse the County's general fund for the salary and expenses of County staff and resources used to run NCPUA's daily operations since NCPUA has no employees.

Table 5.3: Adopted Fiscal 2006 Public Utility Agency Fund

PUBLIC UTILITY AGENCY FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	DD -GENERAL EXPENSES	-	-	2,099,993	2,183,921
	DE -CONTRACTUAL SERVICES	-	-	-	43,871
	HH -INTERFD CHGS - INTERFUND CHARGES	-	-	-	41,302
Expense Total		-	-	2,099,993	2,269,094
	Interdepartmental Transfers	-	-	-	-
Expense Including Interdepartmental Transfers		-	-	2,099,993	2,269,094
Revenue					
	BH -DEPT REVENUES	-	-	-	2,269,094
Revenue Total		-	-	-	2,269,094
	Interdepartmental Transfers	-	-	-	-
Revenue Including Interdepartmental Transfers		-	-	-	2,269,094

2006 BUDGET HIGHLIGHTS

The Fiscal 2006 Adopted Budget includes revenue of \$2.2 million from customer billings and \$87,273 from the administrative fee. The cost of energy from NYPA is \$2.2 million.



CAPITAL FUND

In accordance with amendments to the County Charter, the County Executive submits the Proposed 2006 Capital Budget and Four-Year Capital Plan on October 15th. The new capital debt proposed for the initial budget year, Fiscal Year 2006, is approximately \$98.6 million. This amount is consistent with the approved capital debt from the prior years plan. The total new debt for the four-year capital spending plans is approximately \$440 million and complies with the administrations commitment to long term debt reduction.

Nassau County has made considerable progress towards the rehabilitation of its finances. The major credit rating agencies have acknowledged this progress, each awarding the County a ranking in the A category in its underlying credit rating. One important element of this effort is the gradual reduction in the County's long-term outstanding debt and related debt service payments that consume an unreasonable share of the County's operating budget – the highest percentage in New York State.

The legacy of debt left by the prior administration is the result of excessive borrowing to pay property tax refunds and the failure of the prior administration to put in place a comprehensive capital program.

The Administration has made the reform of its assessment and assessment review processes a key component of its Multi-Year Financial Plan. The Administration attracted a top-flight team of appraisal and finance professionals to staff the Assessment Review Commission (ARC), secured key State legislative amendments to give ARC ample time to review and resolve all assessment grievances on their merits each year prior to the finalization of the tax role, and began the process of making unilateral adjustments to the tentative tax role to substantially reduce the County's going-forward refund obligations.

In addition, the Administration has gradually improved its capital program. The capital program must be consistent with the debt reduction targets imposed by the Multi-Year Financial Plan. These targets required the Administration to make hard choices and to set capital priorities. The Capital Plan addresses the County's critical needs: a building consolidation program, infrastructure improvements, information technology, improved inter and intra-agency communications, parks upgrades and roadwork. Within these parameters, tough decisions were made as to what projects could go forward.

The Fiscal Year 2006 Capital Budget includes almost \$32.5 million in public safety investments; over \$40 million for rehabilitation and improving roadway and infrastructure projects; about \$7.5 million for the continued renewal of the County's parks; almost \$12 million for various County building improvements; and nearly \$11 million for the continued upgrade of the County's information technology environment.

In August 2004, the County Legislature voted to amend the County Charter to create an environmental program that will include debt funding for various environmental, open-space land acquisition and parks purposes. In November 2004 a referendum on the proposed Charter amendment was approved by County voters. The County plans to issue up to \$50 million in debt pursuant to the program during the period covered by the 2006-2008 Capital Plan, the exact timing of which is not certain.

NON-MAJOR OPERATING FUNDS



The 2006 Capital Budget, less working capital categories, totals approximately \$98.6 million in debt. The table below presents the 2006 Capital Budget (Debt Funding) by Project Category.

Table 5.4: Fiscal 2006 Debt Funding by Project Category

Project Category	Proposed Funding
Building Program	\$11,950,000
Infrastructure	\$40,655,000
Public Safety	\$20,725,000
Transportation	\$5,853,650
Parks and Recreation	\$6,000,000
Special Equipment	\$4,650,000
Land Acquisition	\$1,000,000
Technology	\$7,775,000
Total	\$98,608,650

FY 2006 PROJECT HIGHLIGHTS

Building Consolidation Program

Included in the County's Capital Budget is the County's building consolidation program, which will involve the planning, design, and construction or reconstruction of several County building campuses, designed to consolidate the County workforce. The County Legislature has authorized the issuance of debt of \$77.85 million for the building consolidation program. The 2006 Capital Budget contains an allocation of \$14.6 million for the continuance of the building consolidation program. The County has not finalized its plan of finance for such program, but anticipates that at least a portion of the cost of such debt will be offset from Federal and State grants, private contributions and the sale of surplus County buildings. The building consolidation program is expected to conserve space, create energy and other efficiencies, provide better working conditions and improve public access and the County's image while ultimately reducing and or containing County building operating expenses.

Police Interoperable Radio System

In June, 2005 the County signed a contract for \$46 million that will provide a new public safety two-way radio system. The radio system is critical to the Police Department's ability to provide continued public safety services to the residents of Nassau County. The project will be phased in over multiple years and will include the purchase of mobile data terminals. This system, while having no impact on the operating budget, will significantly improve the communications capability of the Police Department. The current radio system is over twenty years old and experiences reception and transmission problems particularly on the north shore of the County.

NON-MAJOR OPERATING FUNDS



Automation of Fuel Sites and Vehicle Maintenance Scheduling

This technology project will modernize and secure the County's fleet and corresponding fueling system. The project will provide a system that will replace the existing manual records and provide sufficient control measures to ensure proper and appropriate use of these County resources. The system will also provide vehicle usage data and establish an annual vehicle maintenance schedule. This system is expected to provide operational efficiencies but will not directly impact the operating budget.

Aquatic Center HVAC Replacement

The Aquatics Center, previously the site of the Goodwill Games, requires the replacement of the heating ventilation and air conditioning (HVAC) system. The existing HVAC system is inadequate and has led to the corrosion of light fixtures, ventilation system and is now preventing normal activities of the main pool facility. While this project will improve services to the residents of Nassau County it is anticipated that it will also increase utility operating costs as the original HVAC system was undersized. This increase in operating cost has not been quantified.

NON-MAJOR OPERATING FUNDS



COMMUNITY COLLEGE FUND

The Fiscal 2006 Budget for Nassau Community College was adopted by the County Legislature on July 25, 2005. The Fiscal 2006 budget is consistent with the multi-year financial plan. It contains 3 primary revenue sources: Tuition, state aid and local sponsor share (Nassau County).

Nassau Community College, a constituent member of the State University of New York (SUNY) system, is a comprehensive, full-opportunity institution of higher education. All who can benefit from its resources have the opportunity to expand their knowledge and skills and to pursue the goal of lifelong learning. The College is dedicated to high quality, low-cost education and career preparation to meet the needs and interests of the community it serves. It is committed to academic excellence and the dignity and worth of the individual. To this end, Nassau Community College offers Associate in Arts, Associate in Science, and Associate in Applied Science degrees, certificates and continuing education programs. Its curricula span the liberal arts and sciences, pre-professional and professional areas for the benefit of a diverse population. The College places a high priority on small classes, taught by qualified, experienced faculty, to provide an optimal educational environment.

Table 5.5 Fiscal 2006 Nassau Community College Fund

NASSAU COMMUNITY COLLEGE FUND					
E/R	Object	2004 Actual	2005 Adopted Budget	2005 6-Month Actual	2006 Adopted Budget
Expense					
	AA - SALARIES, WAGES & FEES	102,890,815	105,594,832	50,734,043	110,105,147
	AB - FRINGE BENEFITS	32,810,947	36,420,823	14,874,920	40,955,000
	BB - EQUIPMENT	1,649,203	2,000,000	623,592	2,000,000
	CC - MATERIALS & SUPPLIES	1,224,970	1,500,000	810,230	1,525,000
	DD - GENERAL EXPENSES	3,702,103	4,441,000	1,816,309	4,800,000
	DE - CONTRACTUAL SERVICES	6,290,900	5,747,740	4,178,238	6,225,285
	DF - UTILITY COSTS	873,809	1,015,133	459,956	1,100,000
	HH - INTERFD CHGS - INTERFUND CHARGES	5,590,995	5,624,320	1,863,665	6,700,000
	OO-OTHER	28,036	115,000	27,213	115,000
Expense Total		155,061,777	162,458,848	75,388,166	173,525,432
	Interdepartmental Transfers	-	-	-	-
Expense Including Interdepartmental Transfers		155,061,777	162,458,848	75,388,166	173,525,432
Revenue					
	AA - FUND BALANCE	4,442,626	-	-	-
	BE - INVEST INCOME	157,699	500,000	183,109	250,000
	BF - RENTS & RECOVERIES	1,195,765	1,122,000	556,822	1,122,000
	BG - REVENUES OFFSET TO EXPENSE	3,666,642	3,900,000	1,744,786	3,900,000
	BK - SERVICE FEES	2,922,065	3,705,000	2,402,144	3,705,000
	BL - STUDENT REVENUES	50,854,154	55,203,309	36,725,096	61,558,934
	BM - REV LIEU SS - IN LIEU OF SPONSOR SHARE	11,620,642	11,798,322	6,071,983	13,124,781
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	425,507	250,000	420,520	241,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	41,776,700	41,181,500	40,179,352	43,077,850
	TL - PROPERTY TAX	43,117,148	44,798,717	-	46,545,867
Revenue Total		160,178,950	162,458,848	88,283,811	173,525,432
	Interdepartmental Transfers	-	-	-	-
Revenue Including Interdepartmental Transfers		160,178,950	162,458,848	88,283,811	173,525,432



GRANT FUND

The County receives outside funding, primarily from the State and Federal governments that completely covers the cost of certain programs. While most of these programs are in the health and human services area, a sizeable number of grants are also received to enhance public safety. In each case, when the cost of a County employee or non-personnel related service is fully reimbursed by an outside entity, that expense (and associated revenue) is charged to the Grant Fund. Because generally accepted accounting principles preclude the County from assuming grant revenues in the adopted budget before receipt is assured, outside reimbursements and expenses are recognized in the Grant Fund by supplemental appropriation only after the fiscal year has started and receipt of the funds is assured. However, for the first time this year, the Office of Management and Budget issued a companion document to the budget detailing all anticipated grant funds to be received during 2006 and how they will be spent.



OPEN SPACE FUND

The Open Space Fund, established by Local Law 7 of 2003, contains resources generated from the proceeds of County real-estate sales, private gifts and grants to preserve undeveloped land in the County. The law requires that five percent of the proceeds from the sale of County-owned real estate acquisition, rehabilitation and maintenance of property to be used for open space purposes.

With legislative approval, resources will be appropriated into the Open Space Fund as land-sale proceeds and other resources are identified.

NON-MAJOR OPERATING FUNDS



APPENDICES



APPENDIX A: ECONOMIC AND DEMOGRAPHIC PROFILE

OVERVIEW

Established in 1899, Nassau County is the site of some of New York State's earliest colonial settlements, some of which date to the 1640's. With a total land area of 287 square miles and a population of over 1.3 million people, the County is bordered to the west by the New York City borough of Queens, to the east by Suffolk County, to the north by Long Island Sound and to the south by the Atlantic Ocean. Together, the northern and southern boundaries of the County comprise nearly 188 miles of scenic coastline. The County includes three towns, two cities, 64 incorporated villages, 56 school districts and various special districts that provide fire protection, water supply and other services. Land uses within the County are predominantly single-family residential, commercial and industrial.

POPULATION

The County's population has experienced two major growth periods over the past 100 years and reached a peak of approximately 1,428,080 residents in 1970. By 1990, the County's population had decreased by 10 percent to 1,287,348 residents. In 2000, the County population had increased by 3.6 percent to approximately 1,334,544 residents. Based upon U.S. Census Bureau data, residents over 75 years of age are the fastest growing segment of the population, increasing by 125 percent from 42,100 in 1970 to 94,880 in 2000. Table A.1 below shows the County's population from 1960 to 2000. Based upon information from the Long Island Power Authority Population Survey, the County's population continued to increase slightly through 2003 to an estimated 1,342,680.

TABLE A.1: COUNTY POPULATION, 1960-2000

<u>Year</u>	<u>Population</u>
2000	1,334,544
1990	1,287,348
1980	1,321,582
1970	1,428,080
1960	1,300,171

SOURCE: U.S. Census

ECONOMIC INDICATORS

As shown on Table A.2, according to the U.S. Census Bureau, the County's household median income for 2000 of \$72,030 is significantly higher than those of the State (\$43,393) and the United States as whole (\$41,994). Moreover, the County (5.2 percent) has a smaller percentage of households below poverty level than the State (13.9 percent) and the nation (11.8 percent).



TABLE A.2: COUNTY ECONOMIC INDICATORS IN COMPARISON TO THE STATE AND THE U.S.

<u>Area</u>	<u>Median Household Income</u>	<u>Families Below Poverty (%)</u>
County	\$72,030	5.2
State	43,393	13.9
United States	41,994	11.8

SOURCE: U.S. Census, 2000 Census

INCOME AND PURCHASING POWER

Effective Buying Income

According to the 2004 Survey of Buying Power and Media Markets published by Sales & Marketing Management, the County had the highest median household effective buying income (“EBI”) of any county in the State and ranks second only to Putnam County for households with an EBI above \$50,000. Table A.3 below compares median household EBI income and percentage of households by EBI group data in the County with Suffolk County, New York City and the State. Almost 60 percent of County households have an EBI of \$50,000 or more, while almost 14 percent have an EBI of less than \$35,000. EBI is defined as income less personal tax and non-tax payments and is often referred to as “disposable” or “after-tax” income.

TABLE A.3: COMPARISON OF MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME IN THE STATE

<u>Area</u>	<u>Total EBI</u>	<u>Median Household EBI Income</u>	<u>% of Households by EBI Group</u>		
			<u>\$20K-34.9K</u>	<u>\$35-49.9K</u>	<u>\$50K+</u>
Nassau County	\$ 35,157,415	\$58,118	13.5	15.7	58.9
Suffolk County	31,969,424	53,495	15.4	17.9	54.2
New York City	147,815,938	33,439	21.2	16.6	31.7
New York State	367,761,619	37,709	21.3	17.9	35.9

SOURCE: Sales & Marketing Management, 2004 Survey of Buying Power and Media Markets

Consumer Price Index

The Consumer Price Index (“CPI”) represents changes in prices of all goods and services purchased for consumption by households over time and is often used to gauge levels of inflation. CPI includes user fees such as water and sewer service and sales and excise taxes paid by the consumer, but does not include income taxes and investment items such as stocks, bonds, and life insurance. Annual totals and increases in the CPI for both the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA



Consolidated Metropolitan Statistical Area (“CMSA”) and U.S. cities between the years 1994 and 2004 are shown in Table A.4 below.⁽¹⁾

As indicated in Table A.4 below, prices in the CMSA rose by 3.8 percent over the past year, marking the largest yearly percentage increase in the last ten years and the fourth consecutive year in which the CPI for the region increased. By comparison, prices increased by 2.7 percent in U.S. cities in 2004, which marks the third consecutive year that the national CPI has increased.

TABLE A.4: CONSUMER PRICE INDEX, 1994-2004

Year	U.S. City Average (1,000s)	Percentage Change	NY-NJ-CT-PA CMSA (1,000s)	Percentage Change
2004	188.9	2.7	205.3	3.8%
2003	184	2.3%	197.8	3.1%
2002	179.9	1.6%	191.9	2.6%
2001	177.1	2.8%	187.1	2.5%
2000	172.2	3.4%	182.5	3.1%
1999	166.6	2.2%	177	2.0%
1998	163	1.6%	173.6	1.6%
1997	160.5	2.3%	170.8	2.3%
1996	156.9	3.0%	166.9	2.9%
1995	152.4	2.8%	162.2	2.5%
1994	148.2	-	158.2	-

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics

RETAIL SALES AND BUSINESS ACTIVITY

The County is served by six major regional shopping centers: Broadway Mall in Hicksville, Roosevelt Field in Garden City, Green Acres Mall in Valley Stream, Bay Harbor Mall in Lawrence, Sunrise Mall in Massapequa and the Simon Mall at the Source in Westbury. According to the International Council of Shopping Centers, a global trade association of the shopping center industry, these regional malls feature a total of 6,889,934 square feet of gross leaseable area. The median income of consumers within a 10-mile radius of these regional centers is \$95,174.

The County boasts a wide range of nationally recognized retailers that provide goods and services, including home furnishing stores, supermarkets and gourmet food markets, electronics and bookstores. Major retailers in the County include Saks Fifth Avenue, Bloomingdales, Lord & Taylor, Nordstrom’s,

⁽¹⁾ Throughout this document references are made to the U.S. Office of Management and Budget’s definitions of metropolitan areas that are applied to U.S. Census Bureau data. These areas include Metropolitan Statistical Areas (“MSAs”), Consolidated Metropolitan Statistical Areas (“CMSAs”) and Primary Metropolitan Statistical Areas (“PMSAs”). An MSA is a county or group of contiguous counties that contains at least one city with a population of 50,000 or more people, or a Census Bureau-defined urbanized area of at least 50,000 with a metropolitan population of at least 100,000. An MSA with a population of one million or more and which meets various internal economic and social requirements is termed a CMSA, consisting of two or more major components, each of which is recognized as a PMSA. For example, the Nassau-Suffolk PMSA is part of the New York-Northern New-Jersey – Long Island, NY-NJ-CT-PA CMSA.



Macy's, Fortunoff's, Sears, JC Penney, Marshalls, Old Navy, Kohl's and Target. Commercial outlet stores in the County include, but are not limited to Costco, Bed, Bath & Beyond and Best Buy. In addition, there are in the County designer boutique shops and specialty department stores such as Barneys, Brooks Brothers, Giorgio Armani, Ralph Lauren and Prada, and jewelers such as Tiffany & Co., Cartier and Van Cleef & Arpels.

Many of the County's downtowns enjoy vibrant economic activity. Downtowns such as Franklin Avenue in Garden City and Fulton Avenue in the Village of Hempstead provide goods and services from local merchants and regional stores to area residents.

Based on the 2002 Economic Census, the County ranked second in the State to New York City in retail sales activity (see Table A.5).

TABLE A.5: RETAIL SALES ACTIVITY RANKED BY COUNTY IN THE STATE
(in thousands)

	2002 Rank	2002 Retail Sales	1997 Rank	1997 Retail Sales
New York (Manhattan)	1	\$26,431,688	1	\$19,964,095
Nassau	2	20,048,923	2	16,876,869
Suffolk	3	18,884,712	3	13,879,345
Westchester	4	12,055,687	4	9,438,521
Queens	5	11,733,654	5	9,237,429
Erie	6	11,124,430	6	8,407,009
Kings	7	10,326,942	7	8,224,419
Monroe	8	7,612,733	8	6,681,881
Onondaga	9	5,451,227	9	4,485,858
Albany	10	4,581,206	10	3,634,657

SOURCE: U.S. Census, Retail Trade

EMPLOYMENT

According to the State Department of Labor, the County had a workforce of approximately 687,300 employees in 2004. The current unemployment rate in the County of 4.5 percent shows a moderate increase from the 3.9 percent recorded in 2003 and represents the highest level of unemployment since 1995. Table A.6 compares the employment and unemployment rates for the County with adjoining municipalities, the State and the United States. 2004 marked the ninth consecutive year in which the County's unemployment rate was less than Suffolk County (4.7 percent), New York City (7.1 percent), the State (5.8 percent) and the United States (5.5 percent).



**TABLE A.6: NON-FARM ANNUAL AVERAGE
EMPLOYMENT AND UNEMPLOYMENT, 1994-2004**

Year	Nassau County		Suffolk County		New York City		New York State		United States	
	Employ- ment	Unemployment- Rate	Employ- ment	Unemploy- ment Rate	Employ- ment	Unemploy- ment Rate	Employ- ment	Unemploy- ment Rate	Employ- ment	Unemploy- ment Rate
2004	687.3	4.5	767.5	4.7	3,720	7.1	9,355	5.8	147,401	5.5
2003	718.5	3.9	733.2	4.4	3,715	8.3	9,300	6.4	146,510	6.0
2002	683.3	4.1	724.8	4.4	3,731	8.0	9,311	6.2	144,863	5.8
2001	674.1	3.1	711.9	3.5	3,666	6.0	9,178	4.9	143,734	4.7
2000	677.7	2.7	707.0	3.2	3,664	5.8	9,180	4.5	142,583	4.0
1999	699.2	3.0	704.4	3.6	3,621	6.9	9,134	5.2	139,368	4.2
1998	696.4	2.9	697.7	3.5	3,568	7.9	9,059	5.7	137,673	4.5
1997	693.4	3.5	686.7	4.3	3,524	9.4	8,998	6.5	136,297	4.9
1996	679.3	3.8	667.2	4.6	3,385	8.8	8,781	6.3	133,943	5.4
1995	675.6	4.5	655.3	5.4	3,289	8.2	8,677	6.4	132,304	5.6
1994	676.5	5.1	651.0	6.2	3,275	8.9	8,682	6.9	131,056	6.1

SOURCES: Compiled by the County from: New York State Department of Labor; U.S. Department of Labor, Bureau of Labor Statistics

KEY EMPLOYMENT TRENDS

As indicated in Table A.7, the annual average employment in non-farm jobs by industry for the years 1997 through 2004 in the Nassau-Suffolk PMSA⁽²⁾ remains strong. Industries that achieved their highest level of employment in the past eight years include: education and health services, leisure and hospitality and government. Eighty-eight percent of jobs within the PMSA are in service producing industries. Within the goods producing category, manufacturing jobs have remained virtually constant over the last year and increased by a total of 17.6 percent since 1999. Meanwhile, jobs within the natural resources, construction and mining industries have increased by 38 percent since 1997.

Most industries within the service producing sectors incurred moderate increases over the past year with the largest gains made in the Education and Health Services (3.6 percent) and the Leisure and Hospitality categories (3.3 percent). Moreover, since 1997 the leisure and hospitality sector has seen an 18.3 percent increase in jobs while during the same period the professional and business sectors have increased by 22.7 percent. While jobs within the financial industries have remained relatively constant throughout the last several years, information industries have shown a 12 percent decline in employment over the last year. Additionally, after three years of decline, jobs in the trade, transportation and utilities sector increased by 1.6 percent in 2004.

⁽²⁾ Prior to 2004, statistical information compiled by the U.S. Census Bureau, the U.S. Department of labor and other sources was compiled on the basis of MSAs, including the Nassau-Suffolk PMSA. Beginning in 2004, the U.S. Office of Management and Budget revised its geographic Census definitions and replaced MSAs with Core Based Statistical Areas ("CBSAs"). The County is now part of the New York-Newark-Edison, NY-NJ-PA CBSA.



**TABLE A.7: ANNUAL AVERAGE NASSAU-SUFFOLK EMPLOYMENT
NON-FARM, BY BUSINESS SECTOR 1997-2004 (in thousands)**

Nassau- Suffolk Employment by Industry	1997	1998	1999	2000	2001	2002	2003	2004
GOODS PRODUCING								
Natural Resources Construction & Mining	47.5	51.4	57.5	61.0	62.4	64.3	64.2	65.6
Manufacturing	101.5	103.6	105.7	105.5	98.9	92.1	88.2	88.1
Total Employment Goods- Producing	149.8	155.0	163.2	166.5	161.2	156.4	152.5	153.6
SERVICE PRODUCING								
Trade, Transportation & Utilities	260.6	264.0	267.1	273.1	271.9	267.5	270.3	271.9
Financial Activities	80.3	81.0	85.5	84.2	81.4	82.0	82.0	83.5
Information Educational and Health Services	28.4	30.0	30.7	31.8	32.9	32.5	32.9	28.9
Leisure & Hospitality	164.7	170.3	175.6	178.5	180.9	187.5	193.2	196.8
Other Services	77.8	79.2	82.8	86.0	88.8	90.1	92.8	96.1
Professional & Business Services	44.5	46.0	50.8	52.1	49.7	50.1	50.8	51.1
Government	136.4	140.9	148.7	155.6	157.7	153.1	152.0	154.2
Total Service Producing	178.7	182.1	185.7	190.2	194.1	196.3	198.9	197.6
Total Non- Farm	971.3	993.4	1,027.0	1,051.5	1,057.4	1,059.1	1,070.2	1,080.0
	1,121.0	1,148.4	1,190.2	1,218.0	1,218.6	1,215.5	1,222.2	1233.5

SOURCE: State Department of Labor

Note: Totals may not add due to rounding.



The percentage of jobs within each category remains fairly consistent with national figures. Table A.8 compares the employment sectors in the Nassau-Suffolk PMSA to the national employment rates by industry. Nationwide, 17 percent of jobs were in the goods producing sector compared to 12 percent in the Nassau-Suffolk PMSA. In addition, the Nassau-Suffolk PMSA has fewer jobs within the trade, transportation and utility and manufacturing industries and more jobs in assorted services.

**TABLE A.8: PERCENTAGE OF NON-FARM EMPLOYMENT
BY BUSINESS SECTOR, 2004**

Business Sector	Nassau-Suffolk PMSA (%)	United States (%)
Goods Producing		
Natural Resources*, Construction & Mining	5	6
Manufacturing	7	11
Total Production of Goods	12	17
Service Providing* or Service Producing**		
Trade, Transportation & Utilities	22	36
Financial Activities* or Finance, Insurance & Real Estate**	7	6
Assorted Services	42	41
Government	16	16
Total Production of Services	88	83

SOURCES: Compiled by the County from: State Department of Labor (Nassau-Suffolk PMSA) and the U.S. Department of Labor, Bureau of Labor Statistics (United States).

*Nassau-Suffolk PMSA

**United States

MAJOR COUNTY EMPLOYERS AND KEY EMPLOYER TRENDS

Consistent with recent job growth in the educational and health services and leisure and hospitality industries, the County's largest employer, with a work force of approximately 30,000, is the North Shore-Long Island Jewish Health System based in Great Neck (see Table A.9 below for the County's major commercial and industrial employers). Four of the top employers in the County are the communication firms Cablevision and Verizon, the energy company KeySpan and the defense technology firm Northrop Grumman Integrated Systems.



TABLE A.9: MAJOR COUNTY COMMERCIAL AND INDUSTRIAL EMPLOYERS

Employer	Type	Approx. no. Employees*
North Shore-Long Island Jewish Health System	Health Care	30,000*
Cablevision Systems	Entertainment/Telecommunications	6,567
Verizon Communications	Communications	5,500
King Kullen Grocery Co.	Food Retailing	4,800*
Keyspan Corporation	Utility	4,418
Hofstra University	Institutional	2,470
Northrop Grumman Integrated Systems	Technology	1,800
Fortunoff Fine Jewelry	Jewelry/Home Furnishings	1,350
Griffon Corporation	Manufacturing	1,200

SOURCES: Compiled by the County from: Long Island Business News “2004 Book of Lists”, Long Island Business Association.

*Company headquarters are located in the County, number may include employees who work outside of the County.

CONSTRUCTION ACTIVITY

Table A.10 is a composite list of construction activity in the County for residential, business, industrial and public building construction from the years 1992 through 2001. While overall building growth decreased by 17 percent in 2001, construction activity in the County remains robust. In 2001, the County ranked third over the past 10 years for most building permits issued for all construction and reached peaks in the construction of public and industrial buildings.



TABLE A.10: COUNTY CONSTRUCTION ACTIVITY, 1992-2001

Year	Single-Family Dwellings	Other Housing Units*	Business Buildings	Industrial Buildings	Public Buildings	Total Buildings
2001	614	884	30	21	16	1,565
2000	790	1,009	58	21	9	1,887
1999	639	540	34	8	16	1,237
1998	746	563	42	5	13	1,369
1997	860	862	56	14	7	1,799
1996	518	498	36	7	4	1,063
1995	552	401	70	4	8	1,035
1994	522	208	35	9	11	785
1993	490	351	59	0	4	904
1992	413	184	40	6	5	648
Totals	6,144	5,500	460	95	93	12,292

SOURCE: Nassau County Planning Commission

*Other housing units include two-family, multi-family dwellings and conversions.

Table A.11 below lists the number and estimated dollar value of building permits issued for Class 4 property in the County for the years 1992 through 2002. Class 4 property includes commercial, industrial, institutional buildings and vacant land. As indicated in the table, there was a 14.7 percent decrease in the number of permits received for these categories from 2001 to 2002 and a 17.2 percent decrease in estimated value, or \$50.9 million dollars.

TABLE A.11: NUMBER AND VALUE OF BUILDING PERMITS IN THE COUNTY, CLASS 4 PROPERTY, 1992-2002

Year	Number of Permits Received	Estimated Dollar Value on Permits
2002	2,730	\$283,999,027
2001	3,201	\$343,166,830
2000	3,444	\$355,868,375
1999	3,549	\$388,590,248
1998	3,405	\$344,316,996
1997	3,857	\$315,961,972
1996	3,156	\$256,497,726
1995	3,263	\$297,169,504
1994	3,208	\$186,225,660
1993	3,222	\$187,076,912
1992	3,063	\$208,361,232

SOURCE: Nassau County Planning Commission.

According to the latest available inventory, in 2003 the County had 215 office buildings comprising a total of approximately 22.4 million square feet. Due in most part to the return of sublet space to the



market and direct space in central the County, available space increased by approximately 20 percent over the previous year to 2.36 million square feet. Accordingly, the vacancy rate rose from 9.8 percent to 10.5 percent over the last year. The County contains 57 and 158 buildings in the Class A and Class B categories, respectively. Class A buildings show a 13.6 percent availability rate while Class B buildings show 7.7 percent. While no new construction occurred during 2003 for Class B buildings, 110,000 square feet of new construction occurred in the Class A category.

HOUSING

In 2004 new residential construction activity in the County increased by 20 percent (199 units) from 978 to 1,177 (see Table A.12). This contributed to a 50 percent increase in the value of new residential construction over the same period. Moreover, in 2004 the County issued more building permits than in any of the past three years. Table A.13 shows the breakdown of new housing units by housing type and size. Over the past year the County showed a 16 percent increase in the construction of single-family dwellings, a 54 percent increase in the construction of two-family units and a 29 percent increase in the construction of multi-family units.

TABLE A.12: COUNTY NEW RESIDENTIAL CONSTRUCTION ACTIVITY, 1994-2004
(in thousands)

Year	Value of New Residential Construction	No. of New Dwelling Units By Building Permit
2004	\$293,642	1,177
2003	195,435	978
2002	222,722	985
2001	229,464	989
2000	266,259	1,506
1999	199,433	1,151
1998	189,668	1,021
1997	188,345	1,372
1996	156,547	976
1995	104,002	860
1994	109,032	753

SOURCES: U.S. Census Bureau, Construction Statistics Division-Building Permit Branch; prepared by Suffolk County Planning Department and the Long Island Regional Planning Board.



**TABLE A.13: NUMBER OF COUNTY NEW RESIDENTIAL HOUSING UNITS
AUTHORIZED BY BUILDING PERMIT BY SIZE CATEGORY, 1994-2004**

Calendar Year	1 Family	2 Family	3-4 Family	5 or more Family	Total
2004	735	68	0	374	1,177
2003	635	44	8	291	978
2002	740	30	3	212	985
2001	688	32	4	265	989
2000	753	142	6	605	1,506
1999	730	50	3	368	1,151
1998	770	34	4	213	1,021
1997	925	42	34	371	1,372
1996	623	52	0	301	976
1995	734	60	0	66	860
1994	587	54	4	108	753

SOURCES: U.S. Census Bureau, Construction Statistics Division-Building Permit Branch; prepared by Suffolk County Planning Department and the Long Island Regional Planning Board.

According to the 2000 U.S. Census, the number of housing units in the County increased by three percent from 446,292 in 1990 to 458,151 in 2000. The County (80 percent) has a higher percentage of owner-occupied units than the State (66 percent) and the nation (53 percent) as a whole.

Housing prices and sales have been one of the County's strongest economic indicators over the last several years (see Table A.14). Median home prices in the County have increased by almost 75 percent since 2000 and 11 percent over the past year. Additionally, over the past year, the County reached a high for annual median sales price (\$440,000) and the number of homes sold (17 percent increase), contributing to a 29 percent increase in total annual sales. According to the Multiple Listing Service of Long Island, the median value of owner-occupied homes in the County (\$242,300) was higher than both the State (\$148,700) and the nation (\$119,600).



TABLE A.14: COUNTY HOME SALES, 1993-2003

Year	Median Sales Price	Annual Sales (\$000)	No. of Homes Sold
2004	\$440,000	\$4,448,840	10,111
2003	395,000	3,414,170	8,646
2002	350,000	3,722,598	8,654
2001	290,000	2,422,686	7,545
2000	252,500	1,994,682	7,002
1999	230,000	1,916,307	7,389
1998	204,500	1,892,255	8,199
1997	180,000	1,641,168	7,835
1996	175,000	1,485,489	7,319
1995	168,300	1,359,012	6,795
1994	171,000	1,450,242	7,125

SOURCES: Compiled by the County from: The October 2001 LIPA Annual Business Fact Book, 1993-2000; Multiple Listing Service of Long Island Inc., 2001-2004; New York State Association of Realtors.

TRANSPORTATION

MTA Long Island Bus (“MTALIB”), a subsidiary of the Metropolitan Transportation Authority, is the County’s principal public surface transit provider and the third largest suburban bus system in the United States. Operating a network of 54 routes, the MTALIB provides transit service for most of the County as well as parts of eastern Queens and western Suffolk County. The density of MTALIB’s route network conforms to the development pattern of the County. MTALIB operates approximately 336 fixed route buses and 81 para-transit vehicles, including service across the Queens-Nassau line to subway and bus stations in Flushing, Far Rockaway and Jamaica. MTALIB has an average ridership of 105,000 passengers each weekday and serves 96 communities, 46 Long Island Rail Road (“LIRR”) stations, most area colleges and universities, as well as employment centers and shopping malls.

The mid-year forecast as of July 2005 shows that the total MTALIB estimated budget for 2005 was \$113.8 million, of which \$47.2 million, or 41 percent, was derived from passenger fares and other operating revenue. The estimated cost to the County and the State of operating MTALIB for 2005 was approximately \$62.8 million. The County’s share of the cost was approximately \$10.5 million; State subsidies and additional State aid accounted for approximately \$39.3 million; and, MTA subsidies accounted for the remaining \$13.1 million.

The Long Island Rail Road (LIRR) is the largest and busiest commuter railroad in the United States, carrying 80.9 million passengers annually. LIRR provides train service for the entire County. Its infrastructure includes 381 route miles of track, 296 at-grade-crossings and 124 stations on 11 branch lines. On an average weekday, the LIRR carries 288,000 passengers on 730 trains. Over 60 percent of the LIRR’s passenger trips originate in the County. On weekdays, about 70 percent of the system’s passenger trips occur during morning and evening peak travel periods. These branches provide service through the County to eastern destinations in Suffolk County and western destinations of Penn Station in Manhattan, Flatbush Avenue in Brooklyn, as well as Jamaica and Hunters Point/Long Island City in Queens.



The LIRR's approximately \$2.4 billion capital program has helped facilitate the rehabilitation of Penn Station, renovations at Jamaica and Flatbush Avenues (all in New York City), and the continual maintenance of replacing tracks, ties, and switches and renovations underway at numerous stations. The LIRR has a fleet of M-1, M-3 and M-7 electric cars, along with bi-level coaches, which operate with diesel and dual-mode locomotives. In the County, the LIRR is completely electrified, except for the Oyster Bay Branch east of East Williston. Currently, the LIRR has contracted to expand its fleet of electric cars with the goal of phasing all M-7 into service by 2008.

The County highway system consists of over 4,000 miles of paved roads that include parkways, highways, major arteries, collector streets and local streets, which are operated and maintained by different levels of government. The eight major east-west roadways that provide direct through service to New York City and Suffolk County include: Northern Boulevard, Long Island Expressway, Northern State Parkway, Jericho Turnpike, Hempstead Turnpike, Southern State Parkway, Sunrise Highway, and Merrick Road.

The County is located within close proximity to John F. Kennedy International Airport ("JFK") and LaGuardia Airport ("LaGuardia"), both located in Queens County, and to Islip Long Island MacArthur Airport ("Islip"), located in Suffolk County. JFK and LaGuardia are easily accessible to County residents by all major east-west roadways as well as airport shuttle and express bus service. JFK is also accessible by MTALIB. The Air Train service, a light rail system connecting Jamaica Station in Queens to JFK, opened in early 2004. Islip is accessible by the Long Island Expressway and Southern State Parkway as well as the LIRR.

In order to eliminate delays, congestion, and trouble spots on the highway network, the County has adopted the federal Transportation Improvement Program ("TIP"), as implemented by the State Department of Transportation. The TIP is a compilation of transportation improvement projects such as preserving and upgrading bridges, highways and making system-wide capacity and safety improvements scheduled to take place during a five-year period. Currently, the County is involved in updating the TIP for federal fiscal years 2006-2010.

UTILITY SERVICES

Electrical service is provided to the County by the Long Island Power Authority ("LIPA"), which became Long Island's non-profit electric utility in 1998. LIPA's electric system, which serves 1.1 million customers, is operated by KeySpan, (the parent company of KeySpan Energy Delivery), the largest investor-owned electric generator in the State. KeySpan, which is the largest distributor of natural gas in the northeast United States, also provides gas distribution in the County. The incorporated villages of Freeport and Rockville Centre operate their own electrical generation plants.

LIPA is funded through legislation that requires the utility to make payments in lieu of taxes ("PILOTS") to municipalities and school districts commensurate with property taxes that would have been received by each jurisdiction from the Long Island Lighting Company ("LILCO"), the County's former provider of electrical service. LIPA is also required to make PILOTS for certain State and local taxes which would otherwise have been imposed on LILCO. Numerous private companies in the County provide telephone service.



HEALTH AND HOSPITAL FACILITIES

Rated among the best in the country, the network of health and hospital facilities in the County provides 4,669 certified hospital beds in 13 hospitals and employs 7,688 licensed medical doctors, 1,969 dentists, 739 chiropractors, 320 podiatrists and 18,420 registered nurses. The North Shore University Hospital in Manhasset is the highest-rated hospital in the United States. The North Shore Long Island Jewish Health System is County's largest employer (approximately 30,000 employees), the third largest non-profit, secular health care system in the nation and part of the largest integrated healthcare network (Modern Healthcare) in the Northeast United States.

Other hospitals of note in the County include the Nassau University Medical Center in East Meadow, St. Francis Hospital in Roslyn, the Winthrop-University Hospital in Mineola, and the Memorial-Sloan Kettering Cancer Center at Mercy Medical Center in Rockville Centre.

MEDIA

The daily newspaper Newsday is circulated in the County and Suffolk and Queens Counties. Approximately 80 weekly newspapers cover news and events in the County. Some of these focus on events in specific towns, villages and communities, and other focus on niche industries, such as Long Island Business News – a 50-year-old tabloid that covers both Nassau and Suffolk Counties.

The County is home to two broadcast television stations, Channels 21 and 57, and receives nine additional VHF and UHF stations. In addition, News 12 provides local news coverage (on cable only). Cable programming is available throughout the County via Cablevision Systems Corp., and provides access to channels with a local focus. Satellite programming is also available in the County.

Because of its proximity to New York City, events in the County attract regular coverage in New York City newspapers such as the New York Times, the Daily News, and the New York Post. Radio coverage includes nine County-based stations and 52 regional and neighboring stations that consider the County as part of their listening area.

EDUCATIONAL FACILITIES

There are 56 school districts in the County, with a total enrollment of 205,919 students. The individual school boards and the Board of Cooperative Educational Services (BOCES) are the primary managers of these school districts and provide services such as career training for high-school students and adults, special education, alternative schools, technology education and teacher training. Various public and private organizations manage the County's other educational facilities. The County's non-public schools, which are located in a number of municipalities, provide education in the State Regents program as well as in special and technical programs.

Many County public schools have received national recognition; a 2003 Newsweek magazine article cited 13 County high schools among the top 100 public high schools in the nation.

Over 71,000 students attend County colleges and universities, some of which are highly specialized and have garnered nationwide attention for their programs. These institutions include: Long Island University/C.W. Post College, Adelphi University, Hofstra University, New York Institute of



Technology, U.S. Merchant Marine Academy, Nassau Community College, Webb Institute, Molloy College and the State University of New York/Old Westbury.

Colleges and universities in the County promote cross-disciplinary research, technology development and an integrated curriculum to prepare students for the growing bioscience industry. Undergraduate and graduate level programs available throughout the County's institutions of higher learning specialize in fields such as biology, chemistry, biochemistry, engineering, and physical sciences in courses such as bioengineering, biotechnology and pharmacology.

RECREATIONAL AND CULTURAL FACILITIES

The County has numerous recreational and cultural facilities. One of the most popular destinations among the County's parks and beaches is the 2,413-acre Jones Beach State Park in Wantagh. With approximately six to seven million visitors annually, Jones Beach State Park features a six-mile ocean beachfront, a two-mile boardwalk and the 11,200-seat, Tommy Hilfiger at Jones Beach Theater performing arts center, which attracts world-class musical acts. There are dozens of other public beaches located along both the Atlantic Ocean and the Long Island Sound shoreline. In addition, the County is home to the 930-acre, Eisenhower Park in the Town of Hempstead, Bethpage State Park in Farmingdale and numerous small local parks and campgrounds which offer a broad spectrum of recreational opportunities.

On a national level, the County is home to many high profile professional sporting events and teams. The Bethpage Golf Course, located in Bethpage State Park, hosted the 2002 U.S. Open and is scheduled to host the 2009 U.S. Open. Belmont Racetrack, located in Elmont, is home to the Belmont Stakes, the third race in horse racing's prestigious Triple Crown. The Nassau Veterans Memorial Coliseum in Uniondale is home to the four-time Stanley Cup Champion New York Islanders of the National Hockey League and the Arena Football League's New York Dragons. Eisenhower Park's 80,000 square foot Swimming and Diving Center is the largest pool in the Northern Hemisphere.

In terms of cultural and historic resources, the County boasts eleven museums, including the County-owned Cradle of Aviation Museum and the Long Island Children's Museum in Garden City, as well as historic sites such as Old Bethpage Village and Theodore Roosevelt's estate at Sagamore Hill in Cove Neck.

In an effort to preserve open space, natural and scenic resources for additional recreational opportunities, in 2003 the County created the Open Space Fund, which receives five percent of the proceeds from County land sales for open space land acquisition purposes.

WATER SERVICE AND SANITARY SEWER FACILITIES

There are 47 water districts in the County providing water service to over 90 percent of the County's residents. Approximately 3,550 residents of the less densely populated northern sections of the County draw their water from private wells.

The natural geology of the County yields four aquifers located between subsurface rock strata. These aquifers serve the County with fresh water and are continuously being recharged by precipitation.



In a study performed by the Long Island Regional Planning Board on Long Island's population, the projected population of Long Island for the year 2010 is predicted to remain at the present level of 1.3 million. Based on studies of projected residential, commercial and industrial daily water use, the demand of water from Long Island's groundwater supply will be 180 million gallons per day. Recharge of the groundwater system has increased from 332 million gallons per day to 341 million gallons per day as a result of the County's storm water recharge basins capturing storm water for aquifer recharge. This leaves a daily recharge surplus of 153 million gallons. This recharge surplus ensures ample amounts of fresh water for the future.

The Division of Sanitation and Water Supply within the County Department of Public Works maintains and operates the County's sewerage and water resources facilities. In 2003, upon the approval of the County Legislature, state legislation created a single, County-wide sewer and storm water resources district, replacing the County's prior three sewage disposal districts and 27 sewage collection districts.

Most sewage in the County's sewer system is treated at the Inwood Pump Station, the Bay Park Sewage Treatment Plant (Bay Park) in East Rockaway or the Cedar Creek Water Pollution Control Plant (Cedar Creek) located in Wantagh. Sewage collected within the area corresponding to the former County sewage collection district of Lido Beach is processed at the City of Long Beach's sewage treatment plant.

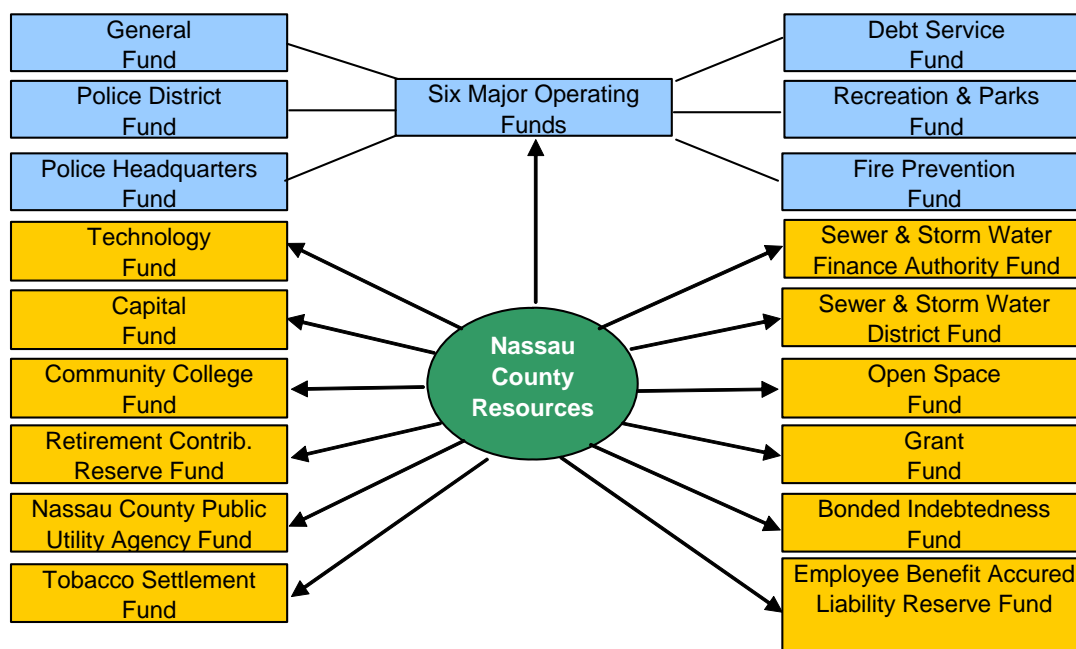
Six villages in the County (Freeport, Garden City, Hempstead, Mineola, Rockville Centre and Roslyn) own and operate their own collection districts which discharge to the County's disposal system. The sewage collected by these systems is discharged to and processed at one of the County-operated sewage treatment plants, either Bay Park or Cedar Creek. In addition, there are several sewage collection systems and treatment plants within the County that are operated by other governmental agencies or special districts.



APPENDIX B: FUND STRUCTURE

Nassau County allocates revenues and expenditures into 12 separate funds. Fiscal oversight generally focuses on the Six Major Operating Funds (General Fund, Police Headquarters Fund, Police District Fund, Parks and Recreation Fund, Fire Prevention Fund and Debt Service Fund) because these funds contain the resources necessary to support the primary daily operations of the County. The Community College Fund is independent and supports the operations of Nassau Community College. The Sewer and Storm Water District Fund is independent and supports the operation of the sewage disposal and collection system as well as storm water operations. The remaining five funds were specifically established to address particular needs including capital projects, potential retirement costs, open space preservation and grant programming.

Figure B.1: Fund Structure



THE SIX MAJOR OPERATING FUNDS

The Nassau County Budget contains six Major Operating Funds: the General Fund, Fire Prevention Fund, Parks and Recreation Fund, Police Headquarters Fund, Police District Fund and Debt Service Fund – that support the primary operations of the County’s departments. As such, fiscal oversight typically focuses on the balance of expenses and revenues in these six funds.

The **General Fund** contains expenses and revenues for all County departments and offices other than the Fire Commission, Department of Recreation and Parks and the Police Department. During the year, the County frequently transfers funds between these departments and offices to address needs as they arise. Revenues are derived primarily from County sales tax collections and a designated portion of the County



property tax. Other sources of revenue include departmental fees, permits and licenses and investment income.

The **Police Headquarters Fund** contains expenses and revenues for the services that the Police Department provides to all Nassau residents. These include crime investigations, ambulance services, traffic safety, highway patrol and administrative/support services. Revenues are derived primarily from a designated portion of the County property tax, special taxes, and various fines, permits and fees.

The **Police District Fund** contains expenses and revenues for the services provided by the Police Department's eight precincts. These include patrol, crime prevention and arrest processing. Revenues are derived primarily from a designated portion of the County property tax and various fines, permits and fees. Of the Five Major Operating Funds, the Police District Fund is unique in that it is not countywide in nature. Only communities that receive County police protection receive Police District Fund services, and, as such, only residents in these communities pay the Police District property tax.

The **Parks and Recreation Fund** contains expenses and revenues for the Department of Parks, Recreation and Museums, which is responsible for operating the County's parks, preserves and museums and for providing various recreational services. Revenues are derived primarily from a designated portion of the County property tax and various user fees.

The **Fire Prevention Fund** contains expenses and revenues for the Fire Commission, which ensures compliance with County fire safety codes and coordinates the operations of the various local fire districts. Revenues are derived primarily from a designated portion of the County property tax and various fees, fines, permits and licenses.

The **Debt Service Fund** contains all interest and principal payments for the County's borrowings. The administrative costs of borrowing as well as the impact of Nassau Interim Finance Authority sales tax set-asides also are recognized in this fund. Given that annual interest and principal payments are calculated based upon prior borrowings for specific projects and charged to operating departments, the Debt Service Fund is entirely supported by revenues transferred from the other funds.

OTHER FUNDS

The **Sewer and Storm Water District Fund** is self-supportive and contains funding for the County's sewage disposal and collection system as well as the storm water system. It covers expenses related to the Department of Public Works employees assigned to these functions and associated debt service costs. In prior years, these costs were divided amongst three disposal districts and 27 individual collection districts. Going forward, they will be charged to a single countywide sewer and storm water district.

The **Sewer and Storm Water Finance Authority (SFA) Fund** contains expenses and revenues associated with the SFA, which is the financing tool used by the County to finance new capital projects and restructure debt on behalf of the sewer and storm water district. It primarily contains interest, principal and other debt related expenses.

In 2001, the County established the **Technology Fund**, which facilitates investment in innovative technologies that will either produce operational efficiencies or generate enhanced revenue collection. Projects must be non-recurring in nature and be approved by the Information Technology Steering



Committee. Resources for the Technology Fund thus far have derived primarily from prior-year undesignated fund balances. While the Section 3667 of the NIFA Act precludes the County from utilizing prior-year fund balances to support recurring operational expenses, it permits the allocation of these resources to pay for non-recurring technology investments.

The **Capital Fund** contains expenses associated with the County's infrastructure improvement program and outstanding judgments and settlements, including tax certiorari². The bulk of revenue supporting the Capital Fund is derived from capital borrowing. A lesser amount is generated from non-County sources such as the federal and state governments and from County operating funds. The County Executive submits the Proposed Capital Budget by October 15th each year, and it must be approved by the Legislature by November 15th, along with the Four-Year Capital Plan.

The **Community College Fund** is independent and supports the operations of Nassau County Community College. The College has its own board of trustees and president, nevertheless it is reliant on County property taxes for approximately 30 percent of its revenue. Each year, usually three months before the submission of the proposed County Budget, the board recommends a proposed budget and seeks approval by the County Executive and Legislature.

The County receives outside funding, primarily from the State and Federal governments that completely covers the cost of certain programs. While most of these programs are in the health and human services area, a sizeable number of grants are also received to enhance public safety. In each case, when the cost of a County employee or non-personnel related service is fully reimbursed by an outside entity, that expense (and associated revenue) is charged to the Grant Fund. Because generally accepted accounting principles preclude the County from assuming grant revenues in the adopted budget before receipt is assured, outside reimbursements and expenses are recognized in the **Grant Fund** by supplemental appropriation only after the fiscal year has started and receipt of the funds is assured.

The **Open Space Fund**, established by Local Law 7 of 2003, contains resources generated from the proceeds of County real estate sales, private gifts and grants to preserve undeveloped land in the County. The law requires that five percent of the proceeds from the sale of County-owned real estate acquisition, rehabilitation and maintenance of property to be used for open space purposes.

The **Employee Benefit Accrued Liability Reserve Fund**, established in 2004, contains resources set aside to cover future termination pay expenses for employees who separate from County service. Typically, police termination pay exceeds \$200,000 per officer, and it is with the potential for a surge in sworn officer retirements in mind that the Administration proposed setting surplus resources aside in a formal reserve.

The **Retirement Contribution Reserve Fund**, also established in 2004, contains resources set aside to cover future pension payments on behalf of County employees. Fluctuations in local contributions into the State pension plan, as mandated by the State Comptroller, were the impetus for the County creating this reserve.

² The County intends to reduce borrowing for judgments and settlements and the Multi-Year Plan contemplates transitioning to paying tax certiorari settlements out of the operating budget beginning in 2007.

APPENDICES



Created in 2005, the **Bonded Indebtedness Reserve Fund** contains resources for the payment of debt service from a separate account managed by the County Treasurer.

In 1999 the County sold its rights, title and interest to certain tobacco settlement revenues to the Nassau Tobacco Settlement Corporation. A portion of the sale proceeds were set aside in escrow for the County. In 2004, the County's bond counsel advised that due to the risks of continuing litigation against the tobacco companies, it would be prudent to move the escrow funds from the Corporation to the County. Consequently, the **Tobacco Settlement Fund** was established for this purpose.

The **Nassau County Public Utility Agency (NCPUA) Fund** contains resources to operate NCPUA, which was established in 1984 as an economic development tool under the New York State Economic Development Power Program. The program provides discounted power to businesses that commit to create or retain jobs in the state.

The County receives outside funding, primarily state and federal aid, to cover the costs of certain programs. These programs are fully supported by non-county funds. Given that receipt of these funds does not neatly correspond to the County's fiscal year, they are supplementally appropriated into the **Grant Fund** during the year as they are received.



APPENDIX C: FINANCIAL POLICIES

BASIS OF ACCOUNTING AND BUDGETING

Excerpted from the Comprehensive Annual Financial Statement of the County Comptroller

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the county either gives or receives value without directly receiving or giving equal value in exchange, include, for example sales and property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized when the underlying 'exchange' transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

All discretely presented component units-proprietary funds are accounted for on a flow of economic resources measurement focus.

Governmental funds are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., both measurable and available to finance expenditures of the fiscal period). Revenue items accrued are property taxes, sales taxes, and reimbursable amounts from Federal and State supported programs. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, with the following exceptions that are in conformity with accounting principles generally accepted in the United States of America: general long-term obligation principal and interest are reported only when due, vacation and sick leave when paid, pension costs when billed, and judgments and claims when settled. Discretely presented component units-proprietary funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary funds' unbilled services receivable are recognized as revenue.

The fiduciary fund is accounted for on the accrual basis of accounting for the purpose of asset and liability recognition.

Transfers among funds are recognized in the accounting period in which the interfund receivable and payable arise.

Nassau Community College -- The College reports as a special purpose government engaged only in business type activities as defined in GASB Statement No. 35 "*Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities.*"



Basis of Budgeting

An appropriated budget is legally adopted for each fiscal year for the General Fund and each of the Special Revenue Funds, with the exception of NIFA, NCTSC and the Grant Fund. NIFA funds consist of sales tax revenues collected by the State Comptroller and transferred to the fund and are not subject to appropriation by the State or County. NCTSC Funds consist of Tobacco Settlement Revenues received annually as a result of a Master Settlement Agreement between the Tobacco Settlement Corporation and Tobacco Manufacturing Companies. The Grant Funds are appropriated for the life of specific grants, not for annual fiscal periods. Accordingly, the Grant Funds are excluded from the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance presented for budgeted special revenue funds. The budget amounts as shown include prior year encumbrances carried forward as well as current year authorizations. In the case of the Grant Fund, an appropriated budget is legally adopted for the life of each grant as it is received. The County Legislature also authorizes and rescinds spending and financing authority in a Capital Budget. Each project authorized has continuing budget authority until the project is completed or rescinded. All appropriated budgets are adopted by ordinance of the County Legislature on the same modified accrual basis of accounting used to report revenues and expenditures except that appropriations are not provided for certain interfund indirect costs and encumbrances are treated as charges to appropriations when incurred. All supplemental appropriations amending appropriated budgets as originally adopted are also provided by ordinance of the Legislature.

Appropriations which have not been expended or encumbered by the end of the fiscal period lapse at that time.



**BUDGET POLICY
NASSAU COUNTY, NEW YORK
DECEMBER 2005**

MISSION AND GOALS OF THE BUDGET DEVELOPMENT PROCESS

It is the mission of the Nassau County Annual Operating Budget Process to promote sound fiscal planning based on comprehensive historical and current economic data; to make informed choices that involve all department heads in the development process; to meet all mandatory requirements of content and submission deadlines; to integrate the qualitative and quantitative goals of the Multi-Year Plan (MYP), the Capital Improvement Plan (CIP) and the operating budget; and to communicate the Annual Operating Budget in a manner that is user-friendly and informative.

The County is committed to adopting a balanced budget each fiscal year, which is defined as an equal amount of revenue and revenue in its Major Operating Funds. It strives to accomplish this goal without the use of prior year resources (fund balance) and in a manner that is consistent with its fund balance, debt and investment policies. An additional goal is to maintain a structurally balanced budget, which is defined as one where the level of recurring expenses matches recurring revenues.

SCOPE OF THE ANNUAL OPERATING BUDGET

Article III, § 302 and § 303 of the County Charter outline the information that must be contained in the Proposed Annual Operating Budget and is summarized as follows:

- Estimate of expected revenue collections that includes approved or anticipated rate increases;
- Statement of anticipated tax levy collections;
- Estimate of anticipated receipts from the sale of bonds and/or other borrowing;
- Statement of estimated cash balances for all funds as stipulated in the County Charter;
- Estimate of the anticipated financial needs of each agency, department or office to conduct annual operations and provide services;
- Principal and interest payments necessary for bond financing and other indebtedness;
- Amount of judgments recovered against the County and payable in the ensuing fiscal year;
- Estimations of uncollected tax receipts that would become the County's responsibility to pay;
- Comparative financial information that includes the previous fiscal year's adopted budget; the current adopted budget; year-to-date expenditures of the current fiscal year (first six months); the budget request by department; and the County Executive's Proposed Budget; and,
- A Letter of Transmittal or Budget Message from the County Executive to the Legislature that summarizes the Proposed Operating Budget; articulates priorities; highlights the issues facing the County; describes significant changes from the



previous (current) fiscal year; and explains significant factors that led to these changes.

DEVELOPMENT OF THE ANNUAL OPERATING BUDGET

Article III, § 301 of the County Charter requires the County Executive to submit to the Legislature for its review an Annual Operating Budget no later than September 15 of each year. This process is important to the County Executive, the Legislature and citizens of Nassau County because it:

- Translates the strategy and objectives of the Multi-Year Financial Plan (MYP) into the allocation of resources that support the successful execution of the initiatives outlined within the MYP;
- Lays the financial foundation for cost-effective operations based on historical data, economic financial indicators and a reasonable projection of revenue collections;
- Integrates the financial structure of the MYP, Capital Improvement Plan (CIP) and the Annual Operating Budget;
- Reflects the County's social and economic policy priorities; and,
- Communicates this information clearly to every County stakeholder – politician, practitioner and taxpayer.

PARTICIPANTS IN THE BUDGET DEVELOPMENT PROCESS

The participants of the budget process are as follows:

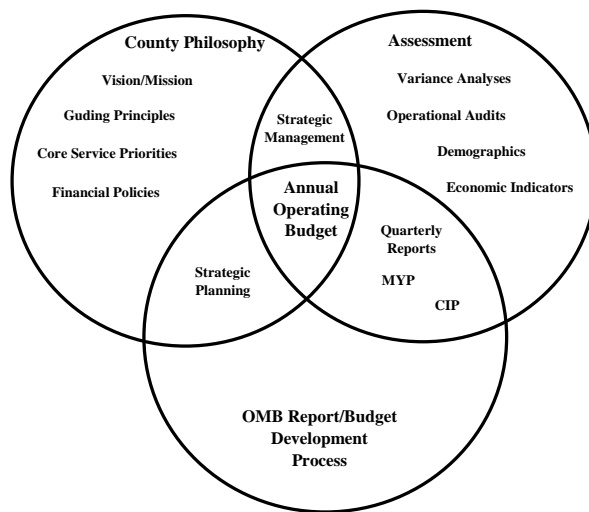
- County Executive – establishes the County vision and mission statements; sets core service priorities; and articulates the concerns of the County's stakeholders;
- Deputy County Executive for Finance and Budget – is responsible for assessing the comprehensive financial and operational needs of the County and submitting a proposed budget that supports the County Executive's vision and priorities;
- Budget Director – provides the direct leadership and coordination of the budget development process including but not limited to forecasting, analyses, data summarization and presentation and submission materials;
- OMB Staff – as experts of their assigned departments, analyze all submission requests, provide recommendations and assist with the compilation of materials; and,
- Deputy County Executives and Department Heads – Department Heads (Directors and Commissioners) review operational needs, historical expenditure and/or revenue trends, consider current issues in budget formulation; anticipate future problems; recommend alternatives and solutions; and submit the budget development packet to the Deputy County Executive for his/her vertical for review. The Deputy County Executive ensures that the submission request complies with the budget instructions, MYP initiatives, and headcount reduction targets; critically evaluates all program enhancement requests for inclusion in the submission; and submits a balanced request to OMB that supports the overall County mission and strategic initiatives.



BUDGET DEVELOPMENT CALENDAR

The development of a sound operating budget is at its best when viewed as a year-round cycle of preparation. In other words, the functions performed by The Office of Management and Budget (OMB) staff are not mutually exclusive but intrinsically related to one another in the implementation of recommended best practices. This interrelationship is demonstrated in the following Venn diagram:

Figure C.1: Linkage between OMB Functions and Annual Budget Development



The Annual Operating Budget is a combined product of the County's philosophy that underlies all financial and managerial operations; the County Assessment of its financial condition, operational efficiency, economy and population; and, the Report/Budget Development Process that is informed by these two components.

Therefore, the budget development process draws on the strategic planning concepts of the mission; develops goals that support the County mission; crafts policies that guide the process; utilizes strategic management to accomplish the goals; and, considers all aspects in the utilization of available resources. As stated, this is a year-round effort that allows for adjustments and the consideration of new information.

The annual budget development process typically begins in May when the Office of Management and Budget provides departmental fiscal staff and decision-makers with a preparation guide that highlights major policy, operational and financial goals for the ensuing year, significant challenges facing the County, and technical information regarding budget preparation.

Within three weeks departments are required to submit their expenditure, revenue and staffing requests to their respective deputy county executives and the Office of Management and Budget. These requests are reviewed by the Administration's financial management team and incorporated into a final budget proposal.



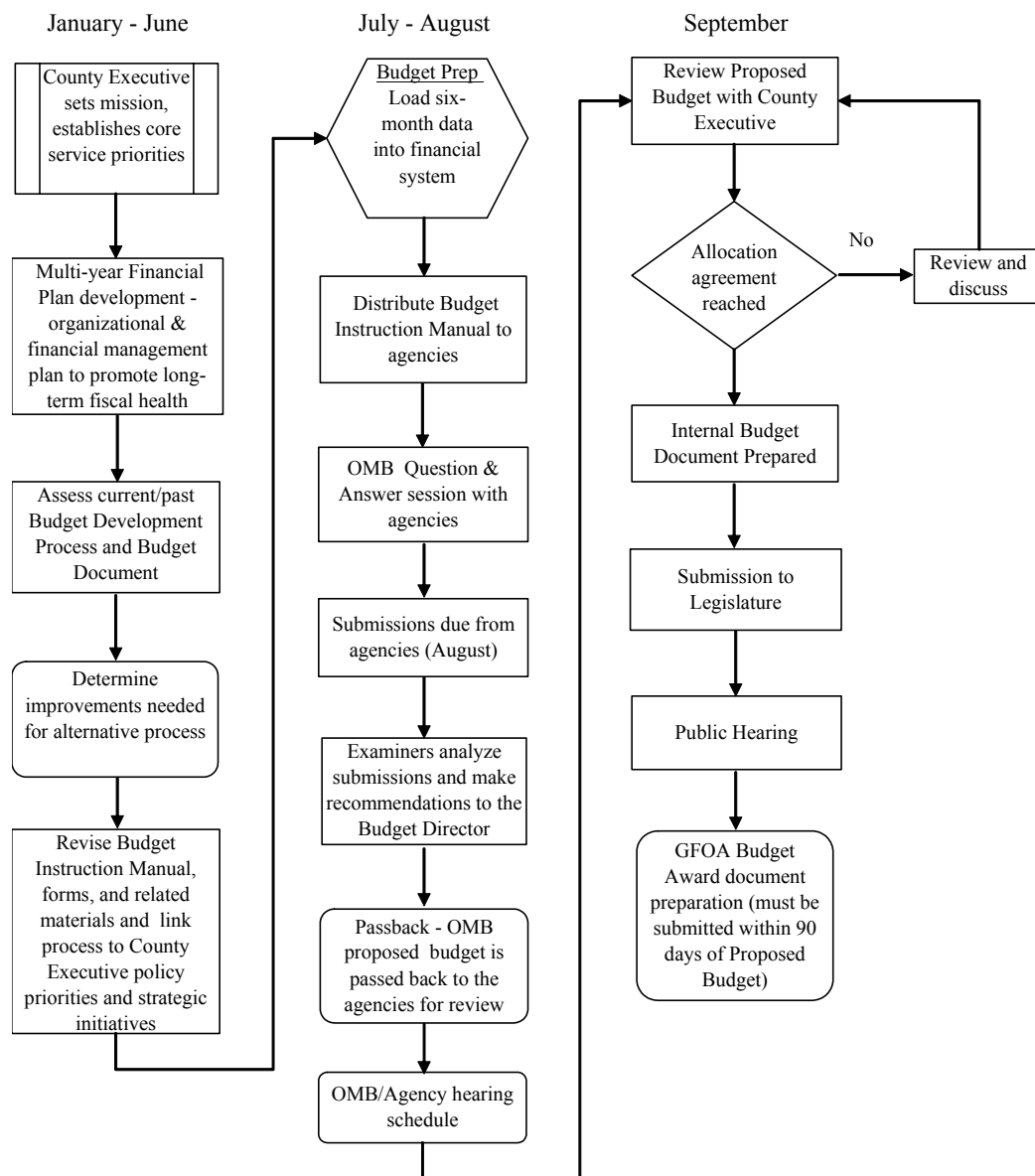
Both the County Charter and NIFA Act require that the County Executive submit the proposed budget to the County Legislature and the Nassau Interim Finance Authority by September 15th. The Charter also requires the Legislature to hold a public hearing on the Proposed Budget by October 1st. Subsequent to the public hearing, the Legislature may propose amendments to the submission, provided that it holds a public hearing to consider those changes. The Proposed Budget, whether left unchanged or amended, must be approved by the County Legislature by October 30th, and within 10 days the County Executive may approve it or veto individual amendments incorporated by the Legislature. In the event of vetoes, the Legislature may hold a hearing and consider overrides, which would require 13 affirmative votes.

Key Fiscal Year Dates (January 1 – December 31)

Month	Action
January to March	<ul style="list-style-type: none">• Comptroller closes the books on the prior fiscal year• Issuance of Fourth Quarter Financial Report (prior year)
April to May	<ul style="list-style-type: none">• Issuance of First Quarter Financial Report
June	<ul style="list-style-type: none">• Budget preparation for the ensuing fiscal year begins.• Budget targets distributed to County departments• Issuance of Multi-Year Financial Plan Update
July to August	<ul style="list-style-type: none">• Issuance of Second Quarter Financial Report• County department budget submissions for ensuing fiscal year are evaluated
September	<ul style="list-style-type: none">• County Executive submitted Proposed Budget and Multi-Year Financial Plan to the Legislature and NIFA (deadline – September 15)
October	<ul style="list-style-type: none">• Legislature holds public hearings and reviews proposed budget for ensuing fiscal year• NIFA presents preliminary report on Proposed Budget• Legislature approves budget for ensuing fiscal year
November – December	<ul style="list-style-type: none">• NIFA votes to approve/disapprove Adopted Budget and Multi-Year Financial Plan• Issuance of Third Quarter Financial Report



Figure C.2: Proposed Operating Budget Process Flow





POST BUDGET ADOPTION

During the year the County Executive may recommend changes to the Adopted Budget. Changes that do not impact total expenditures come in the form of board transfers and most often represent transfers of spending authority between departments or between object codes within departments. They require the approval of the County Legislature (10 votes) and are immediately reflected in the appropriated budget. The County Executive may also recommend appropriating revenues not recognized in the Adopted Budget because their receipt was uncertain at the time. These supplemental appropriations, accompanied also require the approval of the County Legislature (13 affirmative votes) and are immediately reflected in the appropriated budget.

In both cases, legislative approval is required because the legal level of budgetary control in the County is exercised at the object code appropriation level within a departmental control center.³

RELATIONSHIP BETWEEN THE CAPITAL BUDGET AND THE ANNUAL OPERATING BUDGET

The Capital Budget is the companion document to the County's Operating Budget. It impacts the operating budget depending on the funding sources identified and the value of operating costs, savings and/or revenues that result from project implementation. Key elements include:

- Quantifying the debt service required in current year operating budgets and future year plans to support capital expenditures funded with debt;
- Quantifying goals for operating budget ("pay as you go") or reserve funds to be spent on capital projects;
- Identifying other funding sources such as earmarked revenue streams (excess property sales) and grants; and,
- Quantifying the operating costs, savings, and or revenue that will result from project implementation and incorporating those results in the current year budget and out year plans.

³ Comprehensive Annual Financial Report of the Comptroller, 2002, page 51.



**FUND BALANCE AND RESERVE POLICY
NASSAU COUNTY, NEW YORK
SEPTEMBER 15, 2005**

INTRODUCTION

The use of financial policies to guide governmental operations is important for a number of reasons. Financial policies help to institutionalize sound fiscal management. They establish parameters for the operation of government, encourage continuity between administrations, promote stability in budgeting, and enhance accountability to the public.⁴ With its troubled fiscal past, Nassau County suffered from an absence of clear and broadly accepted guidelines for financial management and long-term planning.

The Government Finance Officers Association ("GFOA"), the National Advisory Council on State and Local Government Budgeting ("NACSLGB"), and the three major credit rating agencies all recommend that governments adopt and adhere to an array of financial policies. One of the most important policies to enact is a policy governing fund balance and reserves.

Drawing from these recommendations, the Nassau County fund balance and reserve policy ("Policy") provides a framework for the accumulation of unreserved fund balance, the constitution of reserve funds, and the policy purposes for which the County ought to use these financial resources. The Policy provides this guidance in a manner that takes into account both the County's fund structure as well as the restrictions on the accumulation of surplus monies included in various tax certificates relating to bonds issued by or on behalf of the County. Such restrictions arose in connection with the County's historic reliance on the issuance of working capital debt to finance the payment of property tax refunds, court-imposed judgments, and the settlement of legal claims.

WHAT IS FUND BALANCE?⁵

Nassau County's financial statements are compiled in accordance with Generally Accepted Accounting Principles and, specifically, with the requirements of Government Accounting Standards Board Statement Number 34 ("GASB 34").

GASB 34 requires the production of two types of financial statements: government-wide financial statements and fund financial statements.

Government-wide financial statements provide information about the County as a whole using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus looks at the transactions and events that have increased or decreased the total economic resources of the government as a whole during the accounting period being reported. The accrual basis of accounting requires revenues to be recognized as soon as they are earned, regardless of the timing

⁴ Shayne Kavanagh and Wright Anderson Williams, *Financial Policies: Design and Implementation* (Chicago, Illinois: Government Finance Officers Association, 2004), p. 1-3.

⁵ This section is excerpted from the Management Discussion and Analysis included in Nassau County's *Comprehensive Annual Financial Report of the Comptroller for the Fiscal Years Ended December 31, 2004 and December 31, 2003*.



of related inflows of cash, and it requires expenses to be recognized as soon as liabilities are incurred, regardless of the timing of related outflows of cash. These statements present a long-term view of the County's finances.

Fund financial statements focus on individual parts of the County government, reporting on the County's operations in more detail than the government-wide statements. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending on particular programs. The fund financial statements employ the current financial resources measurement focus and are presented using the modified-accrual basis of accounting. The current financial resources measurement focus requires the fund financial statements to report near-term inflows and outflows of financial resources. To achieve this objective, the application of the accrual basis of accounting must be modified so that the fund financial statements report only those transactions and events that affect inflows and outflows of financial resources in the near future.

There are two governmental fund statements: the balance sheet and the statement of revenues, expenditures, and changes in fund balance. These statements demonstrate how general governmental services were financed in the short term as well as what money remains for future spending. Governmental fund statements present the government's current financial resources (which include its cash and assets that will become cash in the next year) and the current liabilities that these assets will be used to retire. In governmental fund statements, where the current financial resource measurement focus is used, the difference between the assets and liabilities of a fund is called *fund balance*.

RESERVED AND UNRESERVED FUND BALANCE

Governmental fund financial statements separate fund balance into two categories: reserved fund balance and unreserved fund balance.⁶

Reserved fund balance captures those financial assets that are not available to the government to spend in the subsequent year's budget, such as long-term receivables, encumbered contracts and purchase orders, resources that have already been spent, such as prepaid expenses, or assets which are legally constrained in their use and, therefore, not available for spending on fund-related purposes.

Unreserved fund balance, in turn, captures all remaining financial resources which are currently available for appropriation into the subsequent year's budget. Unreserved fund balance may either be designated or undesignated. Unreserved fund balance may be designated in a subsequent budget, representing senior management's planned future use, for a particular purpose, of currently available resources. Unreserved, undesignated fund balance represents those currently available resources which are neither reserved nor designated for a particular purpose in the budget for the subsequent fiscal year.

⁶ Stephen J. Gauthier, *Governmental Accounting, Auditing, and Financial Reporting* (Chicago, Illinois: The Government Finance Officers Association, 2005), p. 50-51.



THE DIFFERENCES BETWEEN RESERVED FUND BALANCE AND RESERVE FUNDS

In addition to reserving fund balance, governments may create formal reserve funds. Reserve funds differ from reserved fund balance in two respects. First, reserve funds must be established by a vote of the legislative body, whereas fund balance is reserved as part of the accounting cycle at the close of the fiscal year. Second, in many instances, legislative approval is also needed for use in the budget of monies deposited in formally established reserve funds. No corresponding legislative approval is required for the use of reserved fund balance.

RECOMMENDED LEVELS OF UNRESERVED, UNDESIGNATED FUND BALANCE

The GFOA recommends that governments maintain unreserved fund balance in their general fund between 5% and 15% of normal general fund operating revenues.⁷ This Policy will treat normal general fund operating revenues as equivalent to its normal operating expenses.

Maintaining sufficient levels of unreserved fund balance is important for a number of reasons. Unreserved fund balance serves as a source of internal liquidity, helping to smooth out the seasonality of public sector cash flows. Unreserved fund balance also provides unrestricted resources for contingencies, such as unanticipated surges in energy costs, unexpected changes in State or Federal reimbursements, spikes in overtime or termination pay, or the devastating impact of a natural disaster. Governments can use unreserved fund balance to finance selected capital needs or other one-time expenses on a pay-as-you-go basis, thereby avoiding long-term interest payments. To the extent that unreserved fund balance is maintained at consistent levels, it is possible for governments to generate additional interest earnings by increasing the duration of their investments. Last, credit rating agencies consider maintaining an appropriate level of unreserved fund balance to be a positive credit factor because doing so better insures the timely and full payment of debt obligations, enhances financial flexibility to handle unforeseen events, and demonstrates the commitment of the government to the principles of sound financial management.

Though the GFOA does not offer any similar recommendations for reserve fund levels, one of the major credit rating agencies has indicated that it considers “reserves, stabilization funds, and rainy day funds” as integral to its analyses of the “financial cushion” available to local governments.⁸

UNIQUE CONSIDERATIONS IN NASSAU COUNTY

An appropriate policy for the accumulation and use of unreserved fund balance in Nassau County must take into account two factors that separate Nassau from comparable governments.

First, Nassau County has five major operating funds: the general fund; the fire prevention fund; the parks, recreation and museum fund; the police headquarters fund; and the police district fund. The fire prevention fund, the parks, recreation, and museum fund, and the police headquarters fund are all special revenue funds which have a County-wide tax base (together the “County-Wide Special Revenue Funds”).

⁷ Kavanagh and Williams, *Financial Policies: Design and Implementation*, p. 77.

⁸ Fitch Ratings, *The Bottom Line: Local General Government Reserves and the Policies that Shape Them* (January 26, 2005), p. 1.



The police district fund is also special revenue fund, but its tax base is a subset of the County. Since the County-Wide Special Revenue Funds share the same tax base as the general fund, and since the revenues collected in these funds are not legally restricted in their use, these funds are treated, for budgetary and accounting purposes, as extensions of the general fund. The police district fund is not considered an extension of the general fund, and its revenues are restricted. Calculating the appropriate level of unreserved fund balance in Nassau County, therefore, involves looking at the combined normal revenues of the County's general fund and the County-Wide Special Revenue Funds.

Second, Nassau has agreed to monitor and take certain actions with respect to the accumulation of unreserved fund balance in tax certificates that have accompanied the issuance of long-term working capital debt. The County historically has issued considerable long-term working capital debt to finance property tax refund payments as well as payments of legal judgments and settlements. The issuance of long-term debt to finance operating expenses is a poor fiscal practice; the County's over-reliance on debt financing to support its operations was one of the key reasons for the collapse of its credit rating and the imposition of a State oversight board. The County's Multi-Year Financial Plan calls for the transition to pay-as-you-go financing of property tax refunds in 2006 and a gradual introduction of funds in future operating budgets for the payment of judgments and settlements beginning in 2007. However, the County has made representations in various tax certificates associated with previously-issued long-term working capital debt that it expected to have no "available amounts" for a period of years and that it would apply any surplus available amounts to the retirement of outstanding working capital debt, or otherwise with the approval of bond counsel. Pursuant to regulations promulgated by the United States Treasury, available amounts mean any amounts "that are available to an issuer for working capital expenditure purposes of the type financed by an issue." Available amounts include "cash, investments, and other amounts held in accounts or otherwise by the issuer or a related party if those amounts may be used by the issuer for working capital expenditures of the type being financed by an issue without legislative or judicial action and without a legislative, judicial, or contractual requirement that those amounts be reimbursed."⁹ The County may treat as "unavailable" – and is therefore allowed to maintain – a "reasonable working capital reserve" equal to 5% of the immediately preceding fiscal year's expenditures paid out of current revenues.¹⁰

PROPOSED FUND BALANCE AND RESERVE POLICY FOR NASSAU COUNTY

Nassau County's Policy attempts to address the financial needs of the government, the fund balance levels recommended by the GFOA, and the restrictions on the accumulation of surplus "available amounts" to which the County has previously committed in various tax certificates.

Unreserved Fund Balance

The County shall maintain a level of unreserved fund balance of no less than 4% and no more than 5% of normal prior year expenditures made from its general fund and the County-Wide Special Revenue Funds. This level of unreserved fund balance is sufficient in Nassau County given the size of its budget, the relative predictability of its cash flows, and its other sources of internal liquidity. Under the terms of its tax certificates, the County is permitted to maintain a reasonable working capital reserve equal to 5% of

⁹ 26 CFR 1.148-6(d)(3)(iii)(A)

¹⁰ 26 CFR 1.148-6(d)(3)(iii)(B)



the immediately preceding fiscal year's expenditures paid out of current revenues. Unreserved fund balance, provided it does not exceed this threshold, qualifies as a reasonable working capital reserve.

However, to the extent that the County utilizes its unreserved fund balance, its policy shall be to use these funds either for (i) non-recurring expenditures that promote important policy objectives; or (ii) extraordinary operating and capital purposes that could not be anticipated and which otherwise cannot be financed with current revenues in the annual operating budget. Such purposes include financing emergency capital repairs, offsetting an unexpected economic downturn, covering an unanticipated or excessive shortfall in revenues or a spike in expenses, or providing necessary resources for emergency situations, such as a terrorist attack or a natural disaster.

Reserve Funds

Nassau County has established a number of formal reserve funds for a variety of important public policy purposes. Each of these reserve funds was created by the County Legislature pursuant to the New York State General Municipal Law ("GML"). The County has established a reserve for the retirement of bonded indebtedness, an employee accrued liability reserve fund, and a pension contribution reserve fund. These reserve funds permit the County to accumulate resources to retire debt or pay debt service, to cover termination payments, particularly for sworn officers, that substantially exceed normal budgetary authority, and to smooth out future increases in contributions to both the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

Additionally, the County has transferred the proceeds that remain from the securitization of its tobacco settlement payments to a trust and agency fund ("Tobacco Trust Fund"). In 1999, Nassau County undertook a tax-exempt working capital securitization of the annual payments made by large tobacco companies. The proceeds from this transaction can be used for certain working capital purposes, particularly health-related working capital purposes, but any expenditures for working capital purposes will be subject to the "gross proceeds last spent" rule promulgated by the United States Treasury.¹¹ The "gross proceeds last spent" rule provides that proceeds from a tax-exempt financing can be allocated to working capital expenditures only if these expenditures exceed other "available amounts" to cover the shortfall. As with formal reserve funds created under the GML, the County Legislature will have to approve the utilization of the proceeds in the Tobacco Trust Fund in the event that these resources are required by the County to balance future operations. The County's policy shall be to request that the County Legislature approve expenditures from the Tobacco Trust Fund only if the County has demonstrated, in accordance with Treasury regulations, that it will have no available amounts to make such expenditures, in order to ensure that it will comply with the gross-proceeds-spent-last rule.

Importantly, legislative action is required in order to spend either the monies in the reserve funds listed above or in the Tobacco Trust Fund. Because legislative action is required, the money in these funds is treated as unavailable for the purpose of determining whether or not surplus available amounts exist as of the end of a fiscal year. The County, therefore, is not restricted in the amount of money that can be directed to these reserve funds or to the Tobacco Trust Fund.

Nassau County shall maintain a combined level of financial resources in its unreserved fund balance, its reserve funds, and its Tobacco Trust Fund of no less than 5% of normal prior year expenditures made

¹¹ 26 CFR 1.148-6(d)(3)(i)



from its general fund and the County-Wide Special Revenue Funds. The County shall target a combined level of 7.5% of normal prior-year expenditures. The resources in the reserve funds and the Tobacco Trust Fund shall be used generally for budget stabilization, but specifically for the purposes identified above.

Replenishment

In the event that for two successive years, the County's level of unreserved fund balance falls below 4% of normal expenditures made from its general fund and the County-Wide Special Revenue Funds during the prior fiscal year, the County shall replenish its unreserved fund balance by direct appropriation beginning with the next operating budget. In this budget, and in the three subsequent operating budget submissions, the County shall appropriate 25% of the difference between its current level of unreserved fund balance and the minimum amount required under the Policy, such that the minimum level of unreserved fund balance can be attained over a four year period. To the extent that a direct appropriation in this amount is not possible in any particular fiscal year, the County shall appropriate a lesser amount and develop a revised strategy and timeframe for replenishing its unreserved fund balance so as to reach, at a minimum, the 4% threshold.¹²

The Policy does not have a replenishment requirement for the County's reserve funds or its Tobacco Trust Fund.

From time to time, the County will forecast before the official close of its fiscal year that it anticipates generating a year-end positive operating surplus after normal expenses are paid. In these instances, the County should determine first if this operating surplus is needed to insure that its unreserved fund balance does not fall below 4% of anticipated operating expenses. The County should then insure that its unreserved fund balance, reserve funds, and Tobacco Trust Fund, taken together, do not fall below 5% of expected operating expenses. If each of these threshold requirements are satisfied, then the County can direct its projected operating surplus to other important public policy purposes, such as capital improvements, strategic investments, prepayments, transitional expenses, or, due to the unique burden of the County assessment guarantee, the payment of future property tax refunds.

CONCLUSION

Nassau's fund balance and reserve policy draws upon the recommendations of the GFOA, the NACSLGB, and the credit rating agencies, but it outlines an approach to the accumulation and use of unreserved fund balance, reserve funds, and the Tobacco Trust Fund that takes into consideration issues that are specific to Nassau County. Specifically, the Policy is crafted so as to be consistent with the restrictions included in the tax certificates that have accompanied the County's historical issuance of long-term working capital debt. The Policy establishes a floor and a cap for the accumulation of unreserved fund balance. It identifies an array of reserve funds, as well as the Tobacco Trust Fund, that helps the County stabilize its budget and finance important policy objectives. The Policy outlines the conditions under which the County's unreserved fund balance ought to be replenished, and it identifies the uses for its unreserved fund balance, its formally created reserves, its Tobacco Trust Fund, and any

¹² Fitch Ratings, *The Bottom Line: Local General Government Reserves and the Policies that Shape Them* (January 26, 2005), p. 2-3. This replenishment strategy is borrowed from the fund balance policy adopted by Howard County, Maryland.

APPENDICES



projected operating surpluses. When combined with other financial policies and with the Multi-Year Financial Plan, the County's fund balance and reserve policy set a standard of performance and accountability for this administration, and it institutionalizes sound financial management practices for the future.



**DEBT POLICY
NASSAU COUNTY, NEW YORK
SEPTEMBER 15, 2005**

INTRODUCTION

Nassau County has issued a tremendous amount of debt since the mid 1980's. Close to half of this debt was issued to finance working capital and day-to-day operational expenses and not enough was borrowed to finance capital investments in the County. A number of factors contribute to this set of circumstances.

The County is on the road to fiscal recovery and the creation of this debt policy is a key factor in this recovery. Limiting the amount of debt the County has outstanding and the purposes for the issuance of that debt will benefit the long term financial health of the County and help to improve its credit worthiness.

The County has a ten year plan to reduce its outstanding debt, level annual debt service payments, and gradually bring the County's key credit ratios in line with comparable yet higher rated counties. The program seeks to achieve these objectives by reducing and prioritizing general capital borrowing, financing assets and projects with shorter useful lives through the County operating budget, reducing the size of cash flow borrowings through a strengthened cash position, and transitioning to pay-as-you-go financing of property tax refunds beginning in 2006. Starting in 2007, the County intends to include \$5 million in PAYGO with increases of approximately \$5 million a year in its operating budget to finance judgments and settlements until the County is no longer borrowing for this purpose.

In 2001, debt service expenses in the Major Operating Funds totaled \$378.2 million. The Adopted 2006 Budget includes \$291.6 million for County and NIFA debt service expenses in the County's Major Operating Funds, and the 2006-2009 proposed Multi-Year Financial Plan estimates that in 2009 the County will have \$317.3 million in County and NIFA debt service expenses.

This policy has been based on GFOA and rating agency guidelines as well as debt policies of comparable yet higher rated municipalities. Since the County is in the process of a financial recovery and has a number of unique circumstances, this policy will set guidelines as well as goals for the future. The County's administration has agreed to review and update this policy on an annual basis.

GOALS AND OBJECTIVES

This debt policy and procedures will help ensure that financings undertaken by the County satisfy certain clear and objective standards. These standards seek to protect the County's financial resources which are necessary to meet long-term capital needs. The adoption of clear and comprehensive financial policies enhances the financial management of the County.

This policy formally establishes parameters for issuing debt and managing a debt portfolio which considers the County's specific capital improvement needs, ability to repay financial obligations, and the existing legal, economic, financial and debt market conditions. Specifically, the policies outlined in this document are intended to assist in the following:



- a) To guide the County and its managers in policy and debt issuance decisions;
- b) To maintain appropriate capital assets for present and future needs;
- c) To promote sound financial management;
- d) To protect and enhance the County's credit rating;
- e) To ensure the legal and prudent use of the County's debt issuance authority; and,
- f) To evaluate debt issuance options.

PURPOSES FOR WHICH DEBT CAN BE ISSUED

Capital Borrowing: The County shall issue debt for projects identified in its four year capital plan. The capital plan will prioritize general capital borrowing and finance assets and projects with longer useful lives.

Working Capital Borrowing: The County will transition to pay-as-you-go financing of property tax refunds beginning in 2006, eliminating any future borrowing for tax refund purposes after 2007. Until 2007 the County plans to borrow the following amount for tax certiorari purpose: \$15 million in 2006 and \$10 million in 2007, for a total of \$25. Amounts in excess of the total \$25 million in 2006 and 2007 will be funded in the County's operating budget.

The County also funds judgments and settlements through bond issues. Currently these judgments and settlements average \$35 million per year. The County's ten year debt plan anticipates transitioning \$5 million per year to the operating budget starting in 2007. By 2013, all judgments will be funded in the County's operating budget with the exception of an extraordinary judgment or settlement.

An extraordinary judgment or settlement is one in which the type or amount of the judgment or settlement is out of the ordinary. In the event that the judgment or settlement exceeds the budgeted amount \$35 million, the county may choose to fund the excess amount of judgments or settlements from bond proceeds.

Cash Flow Borrowing: The County will borrow for cash flow purposes as necessary throughout the fiscal year.

DEBT LIMITATIONS/AFFORDABILITY (FOR SIX MAJOR FUNDS)

Debt Service as percent of Expenditures

Goal: The County's tax-supported debt service will not exceed 10 percent of general governmental expenditures within the six major operating funds.

Tax-supported debt service shall include any debt service on general obligation bonds which are not self-supporting from a user fee revenue stream (i.e. water and sewer assessment a self-supporting revenue stream is defined as a revenue stream that provides coverage of all debt service obligations without general fund support). Any long term financing lease obligations which may be subject to annual appropriation by the County will also be included in calculations of tax-supported debt service.



Current Status: Currently the debt service of the County's six major funds is 12.11 percent of budgeted 2006 expenditures. The County's ten year debt plan predicts that in 2015, debt service will be 9.25 percent of expenditures. The County shall manage its debt issuance such that after an unavoidable choppiness in this ratio in the early years of the plan due to an irregular debt profile this ratio will not increase until it is below 10%.

Net Direct Debt as percentage of Full Valuation

Goal: The County's tax-supported net direct debt will not exceed 0.85 percent of the full valuation of taxable real property in the County.

Current Status: Currently the tax-supported debt of the County's six major funds is 1.31 percent of the full valuation of taxable real property in the County. The County's ten year debt plan predicts that in 2015, debt will be 0.61 percent of the full valuation of taxable real property in the County.

Net Direct Debt per Capita

Goal: The County's tax-supported debt per capita will not exceed \$1,600.

Current Status: Currently the tax-supported debt per capita of the County's six major funds is \$1,961. The County's ten year debt plan predicts that in 2015, debt per capita will be \$1,554. The County expects to reach this target in 2014 and shall manage its debt issuance such that this ratio does not increase until it is below \$1,600.

BOND STRUCTURE

The County shall establish all terms and conditions relating to the issuance of bonds, and will invest all bond proceeds pursuant to the terms of the County's Investment Policy. Unless otherwise authorized by the County, the following shall serve as bond requirements:

Terms: All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements.

Capitalized Interest: From time to time certain financings may require the use of capitalized interest from the issuance date until the County has beneficial use and/or occupancy of the financed project. Interest shall not be funded (capitalized) beyond three years or a shorter period if further restricted by law. Interest earnings may, at the County's discretion, be applied to extend the term of capitalized interest but in no event beyond the term allowed by law.

Debt Service Structure: Debt issuance shall be planned to achieve relatively level debt service while matching debt service to the useful life of facilities. The County shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to make existing overall debt service level. The County may elect a more rapid or other debt service structure, such as declining debt service (i.e. equal principal amortization) at its discretion.

Call Provisions: In general, the County's debt will include an early redemption (or "call") feature, which is no later than 10 years from the date of delivery of the bonds. The County will avoid the sale of non-



callable bonds absent careful, documented evaluation by the County in conjunction with its financial advisor with respect to the value of the call option.

Original Issue Discount: An original issue discount will be permitted if the County determines that such discount results in a lower true interest cost on the bonds and that the use of an original issue discount will not adversely affect the project funding.

Deep Discount Bonds: Deep discount bonds may provide a lower cost of borrowing in certain markets. The County will carefully consider their value and effect on any future refinancings as a result of the lower-than-market coupon associated with deep discount bonds.

Derivatives Structure: The County will consider the use of derivatives as a hedge against future interest rate risk or to create “synthetic” fixed rate or variable rate debt, when appropriate. The County will not use derivative structures for speculative purposes. The County will consider the use of derivative structures when it is able to gain a comparative borrowing advantage of 25 or more basis points, and is able to quantify and understand potential risks.

TYPES OF DEBT

When the County determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

Long-Term Debt: The County may issue long-term debt (general obligation bonds) where it is deemed that capital improvements will not be financed from current revenues. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that financial obligations do not exceed the expected useful life of the project.

Short-Term Debt: Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates). The County will determine and utilize the least costly method for short-term borrowing subject to the following policies:

- a) *Bond Anticipation Notes (BANs)* may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project. The BANs shall not mature more than 5 years from the date of issuance. BANs shall mature within 6 months after substantial completion of the financed project.
- b) *Tax or Revenue Anticipation Notes (TANs or RANs)* shall be issued only to meet cash flow needs.
- c) *Lines of Credit* shall be considered as an alternative to other short-term borrowing options. The lines of credit shall be structured to limit concerns as to the Internal Revenue Code.



- d) *Other Short-Term Debt*, including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable.

Lease Purchase Obligation: Lease purchase obligations, including certificates of participation or lease revenue bonds, shall be considered as an alternative to long-term vendor leases. Such debt shall be subject to annual appropriation. In order to reduce the cost of lease borrowing and to improve control over leases, the County may adopt a master lease program.

Variable Rate Debt: To maintain a predictable debt service burden, the County may give preference to debt that carries a fixed interest rate. The County, however, may consider variable rate debt. The percentage of variable rate debt outstanding (excluding debt which has been converted to synthetic fixed rate debt) shall not exceed 20%, unless there is an offsetting amount of operating cash earning a floating interest rate, of the County's total outstanding debt and will take into consideration the amount and investment strategy of the County's operating cash. The following circumstances may result in the consideration of issuing variable rate debt:

- a) *High Interest Rates.* Interest rates are above historic averages.
- b) *Variable Revenue Stream.* The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
- c) *Adequate Safeguards Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate caps and short-term cash investments in the County's General Fund.
- d) *Financial Advisor Analysis.* An analysis from the County's Financial Advisor evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.
- e) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the County shall certify that the interest rate cost is at least 25 basis points lower than traditional fixed rate debt.

REFINANCING

The Deputy County Executive of Budget and Finance with assistance from the County's Financial Advisor shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The County will consider the following issues when analyzing possible refunding opportunities:

Debt Service Savings: The County establishes a minimum present value savings threshold of 2% of the refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 2%, the County may consider the option value captured as a percent of total savings. If the option value captured as a percent of total savings exceeds 70% and



present value savings is less than 2%, the County may opt to complete a refunding. Debt service savings may be taken in equal amounts over time or on an upfront or deferred basis, at the County's discretion.

Restructuring: The County will refund debt when it is in the best financial interest of the County to do so. Such refundings will be limited to restructuring to meet unanticipated revenue shortfalls, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

Term of Refunding Issues: The County will refund bonds within the term of the originally issued debt. However, the County may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The County may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

Escrow Restructuring: The County shall utilize the least costly securities available in structuring refunding escrows. A certificate will be provided by a third party agent stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the County from its own account.

Arbitrage: The County shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

METHODS OF ISSUANCE

The County will determine the method of issuance on a case-by-case basis.

Competitive Sale: In a competitive sale, the County's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

Negotiated Sale: The County recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the County shall assess the following circumstances:

- a) Bonds issued as variable rate demand obligations;
- b) A structure which may require a strong pre-marketing effort such as a complex transaction or a "story" bond;
- c) Size of the issue which may limit the number of potential bidders; and,
- d) Market volatility is such that the County would be better served by flexibility in timing a sale in a changing interest rate environment.

Private Placement: From time to time the County may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the County relative to other methods of debt issuance.



CREDIT ENHANCEMENT

The County seeks to maintain the highest possible credit rating for all categories of short-and long-term debt that can be achieved without compromising delivery of basic County services and achievement of adopted County policy objectives. The County recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. The County is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, County departments, and the general public to share clear, comprehensible, and accurate financial information. The County is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

The County will consider the use of credit enhancements (as listed below) on a case-by-case basis, evaluating the economic benefit versus cost for each case.

Bond Issuance: The County may purchase bond insurance when such purchase is deemed prudent and advantageous. Use of bond insurance shall be based on such insurance being less costly than the present value of the difference between the interest on insured bonds versus uninsured bonds.

In the case of a competitive sale, the County may permit bidders for its bonds to purchase bond insurance if such insurance will enhance the market reception and lower the interest rate on the County's bonds. The County will submit an application for pre-qualification for insurance to facilitate bidders' ability to purchase bond insurance. The winning bidder in a competitive sale will bear any associated cost with such enhancement.

In the instance of a negotiated sale, the County will solicit quotes for bond insurance from interested providers. The County will select a provider whose bid is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the County.

Debt Service Reserves: As of the date of this Policy, the County does not have any revenue bonds or other debt outstanding which require a reserve for debt service. If such programs are developed in the future, a reserve fund may be funded from bond proceeds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers and/or rating agencies. The County may purchase reserve equivalents (i.e., a reserve fund surety or letter of credit) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

Letters of Credit: The County may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The County will prepare and distribute a request for proposals to qualified banks which includes terms and conditions that are acceptable to the County.

UNDERWRITER SELECTION

Senior Manager Selection: The County shall select a senior manager for any proposed negotiated sales. The selection criteria shall include but not be limited to the following:

- a) The firm's ability and experience in managing transactions similar to that contemplated by the County ;



- b) Prior knowledge and experience with the County;
- c) The firm's ability and willingness to risk capital and demonstration of such risk & capital availability;
- d) Quality and experience of personnel assigned to the County's engagement;
- e) Financing plan presented; and,
- f) Underwriting fees.

Co-Manager Selection: Co-managers may be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the County's bonds.

Selling Groups: The County may establish selling groups in certain transactions. To the extent that selling groups are used, the Deputy Executive of Budget and Finance at his or her discretion, may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

Underwriter's Counsel: In any negotiated sale of County debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager with input from the County.

Underwriter's Discount: The Deputy Executive of Budget and Finance with assistance from the County's financial advisor will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Deputy Executive of Budget and Finance will determine the allocation of fees, if any, with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Deputy Executive of Budget and Finance. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance: The County will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Syndicate Policies: For each negotiated transaction, the Deputy Executive of Budget and Finance will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Deputy Executive of Budget and Finance shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Designation Policies: To encourage the pre-marketing efforts of each member of the underwriting team, orders for the County's bonds will be net designated, unless otherwise expressly stated. The County shall require the senior manager to:

- a) Equitably allocate bonds to other managers and the selling group;
- b) Comply with MSRB regulations governing the priority of orders and allocations; and,



- c) Within 10 working days after the sale date, submit to the Deputy Executive of Budget and Finance a detail of orders, allocations and other relevant information pertaining to the County's sale.

CONSULTANTS

Financial Advisor: The County shall select a financial advisor (or advisors) to assist in its debt issuance and debt administration processes. Selection of the County's financial advisor(s) shall be based on, but not limited to, the following criteria:

- a) Experience in providing consulting services to entities similar to the County;
- b) Knowledge and experience in structuring and analyzing bond issues;
- c) Experience and reputation of assigned personnel; and,
- d) Fees and expenses.

Conflicts of Interest: The County requires that its consultants and advisors provide objective advice and analysis, maintain the confidentiality of County financial plans, and be free from any conflicts of interest.

Bond Counsel: County debt will include a written opinion by legal counsel affirming that the County is authorized to issue the proposed debt, that the County has met all legal requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues. The counsel will be selected by the County.

Disclosure by Financing Team Members: All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which is solely in the County's best interests or which could reasonably be perceived as a conflict of interest.



DEBT SERVICE GLOSSARY

Arbitrage. The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Balloon Maturity. A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Bond Anticipation Notes (BANs). Notes which are paid from the proceeds of the issuance of long-term bonds. Typically issued for capital projects.

Bullet Maturity. A maturity for which there are no principal and/or sinking fund payments prior to the stated maturity date.

Call Provisions. The terms of the bond giving the issuer the right to redeem all or a portion of a bond prior to its stated date of maturity at a specific price, usually at or above par.

Capitalized Interest. A portion of the proceeds of a bond issue which is set aside to pay interest on the same bond issue for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Commercial Paper. Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Competitive Sale. A sale/auction of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities. Contrast to a negotiated sale.

Continuing Disclosure. The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Credit Enhancement. Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

Debt Service Coverage. Net Revenue available for debt service divided by debt service.

Debt Service Reserve Fund. The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds. Bonds which are priced for sale at a substantial discount from their face or par value.

Derivatives. A financial product whose value is derived from some underlying asset value.



Designation Policies. Outline how an investor's order is filled when a maturity is oversubscribed when there is an underwriting syndicate. The senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders which form the designation policy: Group Net orders; Net Designated orders and Member orders.

Escrow. A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Expenses. Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Letters of Credit. A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee. The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members. Underwriters in a syndicate other than the senior underwriter.

Negotiated Sale. A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Net Revenue. Defined in greater detail by the County's Indenture. Net Revenue is the difference between gross revenue and operating and maintenance expenses.

Original Issue Discount. The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Pay-As-You-Go. An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value. The current value of a future cash flow.

Private Placement. The original placement of an issue with one or more investors as opposed to being publicly offered or sold.

Rebate. A requirement imposed by Tax Reform Act of 1986 whereby the issuer of tax-exempt bonds must pay the IRS an amount equal to its profit earned from investment of tax-exempt bond proceeds at rates exceeding the tax-exempt borrowing rate. The tax-exempt borrowing rate (or "bond yield") is calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

Selling Groups. The group of securities dealers who participate in an offering not as underwriters but rather who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.



Syndicate Policies. The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Underwriter. A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount. The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt. An interest rate on a security which changes at intervals according to an index or a formula or other standard of measurement as stated in the bond contract.



Nassau County Projected Debt Program as of 10/31/05

Baseline Credit Ratios

Results	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
⁽¹⁾ Population	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000
⁽²⁾ Full Value	190,596,411,100	202,032,195,766	214,154,127,512	227,003,375,163	240,623,577,672	255,060,992,333	270,364,651,873	286,586,530,985	303,781,722,844	322,008,626,215	341,329,143,788
Net Direct Debt	2,629,976,333	2,637,329,868	2,571,329,009	2,515,589,590	2,466,650,882	2,420,945,678	2,373,780,097	2,307,853,571	2,212,071,791	2,152,414,760	2,089,690,625
⁽³⁾ Overall Adjusted Debt	5,100,514,333	5,107,867,868	5,041,867,009	4,986,127,590	4,937,188,882	4,891,483,678	4,844,318,097	4,778,391,571	4,682,609,791	4,622,952,760	4,560,228,625
Debt Service	308,118,595	291,588,539	312,982,615	317,822,648	317,325,678	316,252,225	318,318,019	317,809,093	321,379,211	309,566,509	309,566,509
⁽⁴⁾ Expenditures	2,408,756,747	2,408,756,747	2,579,120,988	2,668,365,128	2,751,187,935	2,846,509,103	2,964,915,551	3,047,089,828	3,147,017,446	3,248,929,209	3,346,835,009
Credit Ratios											
Net Direct Debt per Capita	1,955	1,961	1,912	1,870	1,834	1,800	1,765	1,716	1,645	1,600	1,554
Overall Debt per Capita	3,792	3,798	3,749	3,707	3,671	3,637	3,602	3,553	3,481	3,437	3,391
Net Direct Debt as % of Full Value	1.38%	1.31%	1.20%	1.11%	1.03%	0.95%	0.88%	0.81%	0.73%	0.67%	0.61%
Overall Debt as % of Full Value	2.68%	2.53%	2.35%	2.20%	2.05%	1.92%	1.79%	1.67%	1.54%	1.44%	1.34%
Debt Service as % of Expenditures	12.79%	12.11%	12.14%	11.91%	11.53%	11.11%	10.74%	10.43%	10.21%	9.53%	9.25%

Footnotes

- ⁽¹⁾ United States Census Bureau, State and County QuickFacts, 7/30/02
⁽²⁾ Nassau County 2004 CAFR, full value growing at 6%
⁽³⁾ Nassau County 2004 CAFR, Overlapping Debt held constant at \$2,470,538,000
⁽⁴⁾ Nassau County 2006-2009 Multi Year Plan, Trended from 2005-2009 data after 2009



INVESTMENT AND CASH MANAGEMENT POLICIES NASSAU COUNTY, NEW YORK

Under the law of the State, the County is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any municipality (other than the County), school district or district corporation in the State; (6) certain certificates of participation issued on behalf of political subdivisions of the State; and (7) in the case of County monies held in certain reserve funds established pursuant to law, obligations issued by the County. The law further requires that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities (or a pro rata of a pool of eligible securities), an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

From time to time, the County Legislature adopts resolutions setting forth its investment policy in accordance with the above statutory limitations, which policy currently mirrors (1) through (7) above. The primary objectives of the County's investment program are to: (1) comply with all applicable provisions of law; (2) safeguard the principal of all deposits and investments; (3) provide sufficient liquidity to ensure that monies are available to meet expenditures as they come due; and (4) obtain the maximum rate of return that is consistent with the preceding objectives.

The County's investment policy authorizes the County to enter into repurchase agreements, subject to the following restrictions: (1) all repurchase agreements must be entered into subject to a master repurchase agreement; (2) obligations shall be limited to obligations of the United States of America and/or obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (3) no substitution of securities will be allowed; and (4) the custodian shall be a party other than the trading partner.

It is current County practice to only invest in (1) special time deposits or certificates of deposit (including money market accounts) in banks or trust companies located and authorized to do business in the State, and (2) repurchase agreements.

The County's investment policy also provides that all deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, must be secured by a pledge of eligible securities, of the types authorized by the investment policy, with an aggregate market value equal to or in excess of the aggregate amount of the deposits. Eligible securities used for collateralizing deposits are to be held by a third-party bank or trust company subject to security and custodial agreements with regular market valuation.

Neither State law nor the County's investment policy permits the County to invest in so-called derivatives or reverse repurchase agreements and, to the best of the knowledge of current County officials, the County has never invested in such instruments.

APPENDICES





APPENDIX D: GLOSSARY

– A –

ACCRUAL BASIS ACCOUNTING

Most commonly used accounting method. Reports income when earned and expenses when incurred as opposed to cash basis accounting, which reports income when received and expenses when paid.

ACCRUAL BOND

A bond that pays no coupons, is sold at a deep discount to its face value, and, matures at its face value. Under US tax law; the imputed interest is taxable as it accrues. Same as Zero Coupon Bond.

ACTIVITY

A vertical, agency/department, or program effort that contributes to the attainment of a specific set of performance objectives.

ACTUAL

Actual (as opposed to budgeted) revenues and expenditures for the fiscal year indicated.

AD VALOREM

A tax, duty or fee that varies based on the value of the product, service, or property on which it is levied.

AD VALOREM TAXES

Commonly referred to as property taxes levied on both real and personal property according to the property's valuation and the tax rate.

ADOPTED BUDGET

The financial plan for the fiscal year beginning January 1 as proposed by the County Executive and amended and adopted by resolution by the Legislature. The budget, once adopted, is the legal authorization to expend County funds during the fiscal year identified.

AGENCY

An administrative unit of government.

AGENCY FUND

Fund used to account for the receipt and disbursement of various taxes, deposits, deductions and property collected by a State acting in the capacity of an agent, for distribution to other governmental units or other organizations.

AMERICANS WITH DISABILITIES ACT (ADA)

Federal Law passed in 1990 that prohibits discrimination in employment of the provision of services and facilities on the basis of disability.

ANNUALIZATION

Taking changes that have occurred mid-year and calculating the cost for a full year, for the purpose of preparing an annual budget.

APPRAISAL RATIO

The ratio between the appraised value of property and its market value, or the appraised value as a percentage of the market value. For instance, a house appraised at \$80,000 with a current market value of \$100,000 has an appraisal ratio of 80 percent (80,000/100,000).

APPROPRIATION

A legal authorization or allocation that permits officials to incur obligations against and to make expenditures for defined purposes.

APPROPRIATION BALANCE

Appropriation remaining after the subtraction of expenditures, encumbrances, and other commitments.

ARBITRAGE

The simultaneous purchase and sale of the same or an equivalent security to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of bond proceeds in an investment that yields a higher interest rate, resulting in interest revenue in excess of interest costs.



ASSESSMENT ROLL

The official list prepared by the Assessor that contains the legal description of each parcel or item of property and its assessed valuation. This term is used to denote the total valuation of all taxable property in the County.

ASSESSED VALUATION

The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

ASSET

Resources that have monetary value owned or held by a government.

ATTRITION

A method of achieving a reduction in personnel by not refilling the positions that have become vacant due to resignation, reassignment, transfer, retirement or means other than layoffs.

AUTHORIZATION

See definition of *Appropriation*.

AUTHORIZED POSITIONS

Employee positions, authorized in the adopted budget, that are to be filled during the year.

– B –

BALANCE (FUND BALANCE)

Excess of a fund's balance and revenue over or under expense and reserve.

BALANCED BUDGET

The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues and other available funding sources.

BALANCED SCORECARD

A management improvement system and framework that utilizes financial and nonfinancial information for enhancing organizational goals, objectives, performance measurement and operational strategies by

assessing organizational performance across four dimensions: customer service, financial performance, internal business processes and overall organizational performance.

BASELINE

The baseline is a projection of the revenues, outlays and other budget amounts that would ensue in the future under assumed economic conditions and participation rates, without any change in existing policy. The baseline can be computed for one or more years; for the budget totals; for particular accounts and programs; and for different assumptions about future conditions. Baseline budget projections are used in preparing the budget resolution and in estimating deficit reductions in reconciliation bills and other legislation.

BEGINNING FUND BALANCE

The residual non-restricted funds brought forward from the previous fiscal year (ending balance).

BENCHMARKING

The process of critically evaluating a program's or service's activities, functions, operations, and processes (qualitatively and quantitatively) to achieve a desired level of performance. The objective of benchmarking is to introduce and sustain best practices by making valid comparisons with other processes or organizations, resulting in a continual improvement of activities.

BOND

A debt instrument issued for a period of more than one year for the purpose of raising capital by borrowing. The government obtaining the bond promises to pay a defined sum of money (principal) at a specified future date (date of maturity) along with periodic interest paid at a designated percentage of principal (rate of interest). Typically CIBs – Current Interest Bonds.

BOND ORDINANCE

Ordinance authorizing a bond issue.



– C –

BOND REFINANCING

The payoff and reissuance of bonds to obtain better interest rates and/or bond conditions.

BREACH

The amount by which new budget authority or outlays within a category of discretionary appropriations for a fiscal year is above the cap on new budget authority or outlays for that category for the year.

BUDGET

An estimate of proposed revenues and expenditures for a specific fiscal period.

BUDGETARY BASIS

This refers to the basis of accounting used to estimate the financing resources and uses in the budget. This generally tends to be accrual, modified accrual or cash basis.

BUDGET CALENDAR

Schedule of key dates or milestones that the County will follow to prepare and adopt the proposed budget.

BUDGET EXAMINER

A County classification term applied to budget analysts who work within OMB (“Budget Examiners” only work at OMB).

BUDGET MESSAGE

General discussion of the proposed budget by the County Executive presented orally and in writing to the Legislature. This letter contains an explanation of the principal budget issues, outlines proposed financial policies, explains the reason for significant budgetary changes and presents recommendations made by the County Executive.

CAP

Term commonly used to refer to legal limits on the budget authority and outlays for each fiscal year.

CAPITAL BUDGET

The first year of the capital program that includes capital improvement project appropriations and revenue required to support the project.

CAPITAL IMPROVEMENT PLAN (CIP)

The four-year proposed plan that includes the initial budget year and subsequent three “out-years.” The Plan is updated annually to include expanded or new capital projects. It specifies proposed projects and an estimation of resources available to fund project expenditures.

CAPITAL PROJECT

Usually, denotes a major physical improvement such as construction, acquisition, technology enhancement, and/or infrastructure improvement that adds value to the physical assets of a government or significantly increases the useful life of an asset. Can also refer to building and construction of a new government asset. Due to past practices, this CIP also denotes other Nassau County debt financing such as that incurred for judgments and tax certiorari claims.

CASH BASIS

A basis of accounting in which transactions are recognized only when cash is increased or decreased.

COLLECTIVE BARGAINING AGREEMENT

A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment.

**CONSUMER PRICE INDEX (CPI)**

A statistical measure of change, over time, in the prices of goods and services in major expenditure groups--such as food, housing, apparel, transportation, and health and recreation--typically purchased by urban consumers. Essentially it measures the purchasing power of consumers' dollars by comparing what a sample "market basket" of goods and services costs today with what the same sample market basket cost at an earlier date. The United States Government, Bureau of Labor Statistics, maintains the Consumer Price Index.

CONTINGENCY

An appropriation of funds to cover unforeseen events that occur during a fiscal crisis to address federal mandates, revenue shortfalls and similar events.

CONTRACTUAL SERVICES

Services rendered to a government by private firms, individuals or other governmental agencies.

COST-OF-LIVING ADJUSTMENT (COLA)

An increase in salaries to offset the adverse effect of inflation on compensation.

COUNTY EXECUTIVE'S BUDGET**TRANSMITTAL LETTER**

The County Executive's memorandum to the Legislature summarizing the most important aspects of the budget including fiscal changes from the current fiscal year, strategic initiatives, goals, objectives, themes and priorities that are encompassed within the County's budget.

– D –

DEBT

Liability or obligation in the form of bonds, loan notes, or mortgages owed to another person(s) or government and required to be paid by a specific date (maturity).

DEBT LIMIT

The maximum amount of debt that a government is allowed to take on, beyond which voter approval is usually required.

DEBT SERVICE

Payment of principal and interest on borrowed money (i.e. bond issuance) according to a predetermined payment schedule.

DEBT SERVICE FUND

A fund established to account for the accumulation of resources for the payment of principal and interest on long-term debt. May also be called a sinking fund.

DEDICATED TAX

A tax levied to support a specific government program or purpose.

DEFEASANCE

A provision in an instrument that nullifies it if specific acts are performed. Example: Discharge old, low-rate debt without repaying it prior to maturity. Then, use newly purchased securities with a lower face value but one that pays higher interest. The objective is a cleaner (more debt free) balance sheet and increased earnings in the amount by which the face amount of the old debt exceeds the cost of the new securities.

DEFICIT (NEGATIVE FUND BALANCE)

The excess of an entity's liabilities over its assets or the excess expenditures or expenses over revenues during a single accounting period.

DEMAND

A category of performance measurement that represents the number or frequency of requests for service received by a government agency or program from employees of other agencies or clients, customers, taxpayers, and/or stakeholders (e.g., number of residents enrolling in a swim class or petitioning for a seasonal pool pass; number of budget transfers requested by government agencies during the fiscal year).

APPENDICES



DEPARTMENT

A component of an agency that provides a unique program or service within it. A department may be sub-divided into divisions (responsibility centers).

DEPRECIATION

Expiration in the service life of capital assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DISCRETIONARY FUNDS

Funds for which there are not restrictions on the use of the fees or taxes collected.

– E –

EFFECTIVENESS

An assessment of the degree to which predefined goals and objectives were met within the specified timeframe. An effectiveness performance measure answers the question: *Did the government or its departments' programs and services meet their intended results?*

EFFICIENCY

The extent to which input (salaries, overhead, NPS costs, etc.) is minimized for a given level of output (programs/ services), or outputs are maximized for the given level of outputs. An efficiency performance measure answers the question: *How many resources does a government consume in achieving its program and service delivery goals?*

ENCUMBRANCE

An obligation (i.e. purchase order) that is charged to an appropriation for which a portion of that appropriation is reserved. To encumber funds means to set aside or commit funds for a specified future expenditure. An encumbrance ceases to be so once an obligation is paid or liquidated.

ENDING FUND BALANCE

Funds carried over at the end of the fiscal year to the new fiscal year. Within a fund, the revenue on hand at the beginning of the fiscal year, plus revenues received during the year, minus expenses equals ending fund balance.

ENTERPRISE FUND

Fund type established to finance and account for the total costs of selected government facilities and services that is predominantly self-supporting by user charges. This type of fund uses the accrual basis of accounting.

ESTIMATE

Annualized projection of an expenditure or revenue.

EXPENDITURE

Cost of goods or services

– F –

FEES

A charge imposed on the beneficiary or recipient of a service provided by the County. Its purpose is to help recover some or all of the costs incurred by the County in providing the service. Theoretically, a fee or charge for service should not exceed the cost of providing the service.

FIDUCIARY FUND

Fund used to account for resources that are held by a State as a trustee or agent for individuals, organizations or other governments outside a State that cannot be used to support a State's own programs.

FISCAL POLICY

A government's policies with respect to revenues, spending and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and related funding.

APPENDICES



FISCAL YEAR

A government's twelve-month period designated as the operating year for accounting and budgeting purposes. Nassau County's fiscal year is January 1 through December 31.

FIXED ASSETS

Assets of long-term nature intended to continue to be held or used. Examples are: buildings, land, machinery, furniture and other equipment.

FRINGE BENEFITS

Contributions made by a government to meet obligations for employee benefits such as health insurance, pension plans, FICA, etc.

FULL FAITH AND CREDIT

A pledge of a government's taxing power to repay debt obligations.

FULL-TIME EQUIVALENT (FTE) POSITION

A full-time position or a part-time position converted to the equivalent of a full-time position based on 2,080 hours per year (or a variation relative to the contract agreed upon for that classification). For example, a part-time employee working for 20 hours per week would be the equivalent to .5 of a full-time position.

FUND

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities that are segregated to carry out a specific activity or purpose. Each fund is separate from the other, and maintains individual records of income and expenditures. By law, expenditures cannot exceed revenues.

FUND BALANCE

The excess of the assets of a fund over its liabilities, reserves and carryover.

FUND TYPE

In governmental accounting, there are three broad *types* of funds with specific funds within each. These are:

- Governmental
 - General
 - Special Revenue
 - Debt Service
 - Capital Projects
- Proprietary
 - Enterprise
 - Internal Service
- Fiduciary
 - Expendable Trust
 - Non-Expendable Trust
 - Agency

– G –

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

A widely accepted set of rules, standards, conventions and procedures for reporting financial information as established by the Financial Accounting Standards Board.

GENERAL FUND

The primary fund used by the County for which revenues and expenditures are not legally restricted for use. Examples of departments operating within the General Fund include the Department of Public Works, Office of the Treasurer, and the County Executive's Office.

GENERAL OBLIGATION BOND (GO BOND)

Type of Municipal Bond where principal and interest are secured by the full faith and credit of the issuer and usually supported by either the issuer's unlimited or limited taxing power. In addition, GO Bonds are voter approved.

**GOAL**

A broad operational statement of what a program expects to achieve sometime in the future, thus providing a general description of the desired end state (Guajardo & McDonnell, 2000).

GOVERNMENT ACCOUNTING STANDARDS**BOARD – STATEMENT 34 (GASB 34)**

A Government Accounting Standards Board statement that requires two financial statements of governmental funds: a balance sheet and a statement of revenues, expenditures and changes in fund balances. Of note, Statement 34 also requires that the value of infrastructure assets be shown on the balance sheet. In addition, Management's Discussion and Analysis (MD&A) is required. Funds have been redefined and account groups have been eliminated. Major funds will be reported instead of fund types.

GRANT

A contribution by a government or other organization to support a particular function and/or purpose. Grants may come from other governments (Federal, State) or from private donors.

GRANT MATCH

Costs or in-kind services required to match grantors' shares of grant program costs.

– H –

HAVA

The HELP AMERICA VOTE ACT (HAVA) was established as a program to provide funds to States to replace punch card voting systems, to establish the Election Assistance Commission, to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs, to establish minimum election administration standards for States and units of local government with

responsibility for the administration of Federal elections, and for other related purposes.

HEADCOUNT

The number of authorized positions funded by the adopted budget. As used in Nassau County, this is the sum of positions that are full-time, part-time and seasonal positions.

HOURLY

Refers to an employee who fills a temporary or short-term position. Such employees provide contingency staffing for government operations during peak workloads or to fill temporary staffing needs. Hourly employees are paid on a per-hour basis and receive limited benefits.

– I –

IMPACT FEES

A type of charge for services imposed on new construction in order to support specific new demands on a given service (e.g., parks and fire protection).

INCEPTION-TO-DATE

The period during which financial activity has occurred for a multi-year capital project or grant. Such period begins with the initial authorization of funding by the Legislature, which only rarely coincides with the County's fiscal year, January 1.

INCREMENTAL COST OF CAPITAL

The average cost incurred for each additional unit of debt issued.

INDIRECT COST

A cost necessary for the functioning of the government as a whole but which cannot be directly assigned to one service or program area.

**INFRASTRUCTURE**

Government facilities on which the continuance and growth of a community depend such as roads, bridges and similar assets that are immovable and of value to the government unit only.

INITIATIVE

A programmatic change in current practices and/or processes intended to generate cost savings or new revenue to eliminate the County's structural deficit.

INPUTS

Resources allocated for the execution of activities and work processes so that stated goals, objectives and outcomes can be achieved.

INTEREST

The fee charged by a lender to a borrower for the use of borrowed money, usually expressed as an annual percentage of the principal; the rate is dependent on the time value of money, the credit risk of the borrower, and the inflation rate.

INTEREST INCOME

Revenues earned on invested cash.

INTERFUND TRANSFER

A transfer of funds between departments/ funds for specific purposes as approved by the appropriate authority(s).

INTERNAL SERVICE FUND

A fund established for the purpose of providing services between County departments on a cost reimbursement basis. The fund's expenses are repaid from fees or fund transfers, thus keeping the original fund capital intact.

INVESTMENT-GRADE BOND

A bond that is relatively safe, having a high bond rating such as BBB or above.

ISSUE

A bond offered for sale by a government.

– J –**JUDGMENT**

An amount to be paid or collected by a government as the result of a court decision.

JUNK BOND

A high-risk, non-investment grade bond with a low credit rating, usually BB or lower; as a consequence, it usually has a high yield. A junk bond is the opposite of an investment-grade bond.

– L –**LAPSING APPROPRIATION**

An appropriation made for a specific time period, usually a fiscal/budget year. At the end of the specified period, any unexpended or unencumbered balances lapse or end, unless otherwise provide by law. Most operating funds perform this way.

LEGISLATIVE DISTRICT

The boundaries that define the constituency of an elected official (Legislator).

LEVY

A fixed rate for services that is imposed by a government to support its operations.

LIABILITY

Debt or other legal obligation arising out of a past transaction that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

LINE ITEM BUDGET

A budget that lists each expenditure category (e.g., salary, equipment, travel, etc.) separately along with the dollar amount budgeted for each specified category.

**LIQUIDITY**

The ease with which an asset can be sold for cash.

LONGEVITY

Employee compensation payments made in recognition of a certain number of years employed full time with the government.

LONG-TERM DEBT

Debt with a maturity of more than one year after the date of issuance.

– M –

MANDATED PROJECT/PROGRAM

A project or program that Nassau County must provide according to Federal or State Law, a court order, or the Nassau County Charter.

MATURITY

The date on which the principal or stated value of investments or debt obligations is due and may be reclaimed.

MILL

A “mill” is a monetary measure equating to 0.001 of a dollar. When referring to the *Ad Valorem Tax* it means that one mill is equal to \$1 of tax per \$1,000 of assessed property taxable value.

MILLAGE RATE

The rate per one thousand (\$1,000) dollars of taxable property value which, when multiplied by the taxable value, yields the tax billing for a given parcel.

MISSION STATEMENT

A broad, high-level statement of purpose for an agency/department. As mission statements relate to an agency’s fundamental purpose, there should be a close relationship between the mission statements, description of services provided by the divisions within the agency, and planned outcomes.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

The method of accounting under which revenues are recognized in the period that they become available and measurable. Expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

MULTI-YEAR FINANCIAL PLAN (MYP)

The County’s four-year projection of baseline operating revenues and expenses and its plan for closing any projected gaps.

– N –

NASSAU COUNTY INTERIM FINANCING AUTHORITY (NIFA)

State oversight board designated to help restore Nassau County to fiscal health and to ensure adequate funding for essential services and infrastructure rebuilding.

NASSAU HEALTH CARE CORPORATION

Entity established in 1999 to manage the Nassau University Medical center, A. Holly Patterson Home and associated health clinics.

NET DEBT LIMITATION

A statutory limitation whereby a government’s net GO Bond debt cannot exceed a specified percentage of the appraised value of property subject to taxation.

NET YIELD

Net return on an investment after deducting all expenses.

NON-AD VALOREM FINANCING

The borrowing of funds for capital projects with the commitment to pay the debt service with revenues other than property taxes.



NON-LAPSING FUND

A fund whose unencumbered appropriation balance remains available for expenditure after the end of the year. A non-lapsing fund remains open and available for use until all of the authorized appropriation is expended, transferred, or closed by budgetary action. Grants and capital funds normally operate in this way.

NON-PROGRAMMED COST

The share of the project that is funded by outside sources that are not recognized as revenues of the County.

– O –

OBJECT CODE

A code that describes a specific expenditure or revenue item.

OBJECTIVE

A defined method to accomplish an established goal. A true objective is identified in specific, well-defined and measurable terms that can be achieved within a specified time frame.

OPERATING BUDGET

The annual spending plan for the daily, recurring operating costs of the government.

OPERATING BUDGET IMPACT

A financial or programmatic effect that an approved project will have on the operating budget either while the project is a work-in-progress or upon completion. The impact on the operating budget can be negative, positive or neutral.

OPERATING FUNDS

Resources derived from recurring revenue sources and used to finance on-going operating expenditures and pay-as-you-go capital projects.

ORDINANCE

A formal written document signed by the Legislature.

ORIGINAL BUDGET

The adopted budget as approved by the Legislature.

OUTPUTS

Goods produced and services performed by a government delivered to its customers.

– P –

PAR

See definition of *Face Value*.

PAY-AS-YOU-GO BASIS

A term used to describe a financial policy where capital outlays are financed from current revenues to avoid incurring costly debt financing or issuing new debt.

PERFORMANCE-BASED BUDGETING

The allocation of financial resources to programs and services based on their worth, overall performance, and contribution to the County's overall mission, goals, and objectives.

PERFORMANCE MEASURE

A specific quantitative or qualitative assessment of results obtained through a program or activity.

PERIOD OF PROBABLE USEFULNESS (PPU)

Estimation of the expected life of a capital improvement project. These are generally determined by State statute.

PERSONAL SERVICES

Expenditures for salaries, wages and fringe benefits of a government's employees.



POLICY

A principal used to guide a managerial, operational, or financial decision.

PRESENT VALUE

The current value of one or more future cash payments, discounted at some appropriate interest rate.

PRINCIPAL

The original amount borrowed through a loan, bond issue or other form of debt.

PRIOR YEAR ENCUMBRANCES

Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

PRODUCTIVITY

Average real output per unit of input.

PROGRAM

A discrete service or group of related services provided by an organizational unit designed to achieve the government's goals and objectives.

PROGRAM ENHANCEMENT

A proposal to amend an agency's baseline/target budget request by implementing new programs, increasing service levels, initiating revenue-generating or cost saving ideas, and/or implementing anticipated strategic initiatives as outlined and approved in the Multi-Year Financial Plan (MYP). The purpose of program enhancements is to provide decision-makers with a set of structured options for consideration to increase or decrease the baseline budget.

PROJECT NUMBER

A unique numerical or alpha-code used to identify any special activity, especially where specific reporting requirements exist. These numbers are always used with capital projects and grants.

PROJECT TITLE

A name given to a project that is used for administrative purposes in conjunction with the project number; typically captures both the nature and location of the project.

PROPRIETARY FUND

A fund used to account for operations that are financed and operate in a manner similar to business enterprises. Such a fund is established as a self-supporting operation with revenues provided principally from fees, charges or contracts for services. Measurement focus is on determination of net income, financial position, and changes in financial position.

PROPOSED BUDGET

The County Executive's recommendation for the County's financial operations that includes an estimate of proposed expenditures and revenues for a given fiscal year.

– R –

RATE

A value describing one quantity in terms of another. Example: *Rate* of interest.

RATING AGENCIES

A number of companies assign a risk level to the bonds or debt issued by a government. Risk means the likelihood of default or nonpayment. The lower the risk of nonpayment, the lower the interest the government must pay. Some agencies give an AAA rating to the least risky government bonds. Some of the top rating agencies are Standard & Poor's Corporation, Moody's Investor Service and Fitch Investor's Service.

REAL ASSET

An asset that is intrinsically valuable because of its utility, such as real estate or physical equipment.



– S –

REAL CAPITAL

Capital, such as equipment and machinery that is used to produce goods.

REFUNDING BONDS

Bonds issued to retire outstanding bonds that have a higher interest rate. Typically done to affect net present value savings.

REMAINING MATURITY

The amount of time left until a bond becomes due.

RESERVES

A portion of fund equity (set-aside) legally restricted for a specified purpose or not available for appropriation and subsequent spending.

RESOLUTION

A special or temporary order of a legislative body that requires less legal formality than an ordinance or statute.

RESOURCES

Total dollars available for appropriation that includes estimated revenues, fund transfers and beginning fund balances.

RESTRUCTURING

Major organizational changes aimed at greater efficiency and adaptation to changing economies, markets and stakeholder expectations.

REVENUE

The taxes, fees, charges, special assessments, grants, and other funds collected and received by the County to support its services and/or capital improvement projects.

REVOLVING FUND

A special type of fund established to promote improved financial reporting and administrative convenience.

RISK

A probability estimate of loss or less-than-expected returns.

SATISFACTION OF DEBT

Document issued by a lender upon complete repayment of debt.

SINKING FUND

A fund, sometimes called a debt service fund, into which the issuer makes periodic deposits to assure the timely availability of sufficient moneys for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments from it are determined by the terms of the bond contract.

SMART GOVERNMENT INITIATIVE

A plan, usually at the department level, to reduce expenditures or increase revenues through improved efficiency.

SPECIAL DISTRICT

A designated geographic area established to provide a specialized service usually petitioned for by the citizenry and approved by the Legislature.

SPECIAL REVENUE FUND

Fund used to account for revenues received that have specific purposes for which they can be used.

STAKEHOLDERS

People, organizations or groups with an interest or “stake” in the line of business.

STRAIGHT-LINE DEPRECIATION

Depreciating an asset, minus its salvage value by the same (fixed) amount every year over its useful life. For example: If a vehicle costs \$20,000 with a salvage value of \$2,000 and useful life of three years, it will be depreciated at a cost of \$6,000 per year.

APPENDICES



STRATEGIC PLAN

Similar to a corporate plan but not restricted to organizational boundaries. A strategic plan gives direction and cohesion to activities over a specified time frame.

SUPPLEMENTAL APPROPRIATION

Additional appropriation made by the governing body after the budget year has started.

SURPLUS

The amount by which the government's total revenues exceed its total outlays in a given period, usually a fiscal year.

SWORN POLICE OFFICERS

All non-civilian members of the Police Department who are members of the Policeman's Benevolent Association (PBA), Detectives Association Inc. (DAI) and Superior Officers Association (SOA).

– T –

TAX

Compulsory charge levied to finance services performed by the government for the benefit of the community (citizens, businesses, etc.).

TAX CERTIORARI

Grievances filed by Nassau County property owners contesting the assessment of their properties.

TAX LEVY

The resultant product when the tax base multiplies the tax rate per \$100. Revenues are less than the levy because of delinquencies, tax roll errors, and court cases contesting assessed property value.

TAX RATE

The amount of tax levied for each \$100 of assessed valuations. The tax rate is applied to the assessed valuation to derive the tax levy.

TRANSFER IN/OUT

Amount transferred from one fund to another to assist in financing the services for the recipient fund.

TRUST FUND

A trust fund consists of resources received and held by a government unit as a trustee, to be expended or invested in accordance with the conditions of the trust.

– U –

UNENCUMBERED BALANCE

The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future use.

UNRESERVED FUND BALANCE

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

UPGRADE

A positive change in ratings for a security such as a credit bureau's upgrading of a bond

USEFUL LIFE

The length of time that a depreciable asset is expected to be useable.

USER CHARGES/FEES

A fee paid by an individual for direct receipt of a public service.

– V –

VALUATION

The process of determining the value of an asset.

VARIABLE COST

A cost that increases or decreases in accordance with the same fluctuations in the amount of service provided (i.e. salary).

**VARIABLE RATE DEBT (VRD)**

Debt that bears interest that changes or varies at predetermined intervals (i.e. daily, monthly) selected by the issuer. The issuer may also have the option to convert the variable rate to a fixed rate. The issue then becomes a fixed-rate obligation and cannot be returned to the variable rate mode.

VARIANCE

Compares the standard or budget with the actual. The effort in government is to stay within budget and to avoid unfavorable variances, that is, where the actual collection or expenditure is out of line with the budget.

VERTICAL

The organizational structure of Nassau County whereby agencies and department-mints of similar purpose and/or service type are grouped vertically.

– W –

WEIGHTED

For a value, modified in order to reflect proportional relevance.

WORKING CAPITAL

Current assets minus current liabilities.

WORKLOAD

A performance measurement category that compares output to demand (people served, transactions processed, complaints addressed). The question usually answered by the data reported in a workload measure is, "What is the number of transactions performed per employee for a particular program or service activity?"

– Y –

YEAR-END

This term is used in reference to the end of the fiscal year, for Nassau County, December 30th.

YEAR-TO-DATE (YTD)

For the period that starts at the beginning of the fiscal year (January 1 for Nassau County) to the current date.

YIELD

The rate earned on an investment based on the cost of the investment.

YIELD TO MATURITY

Yield that would be realized on a bond if the bond were held until the maturity date. It is greater than the current yield if the bond is selling at a discount and less than the current yield if the bond is selling at a premium.

– Z –

ZERO COUPON BOND

See definition of *Accrual Bond*.